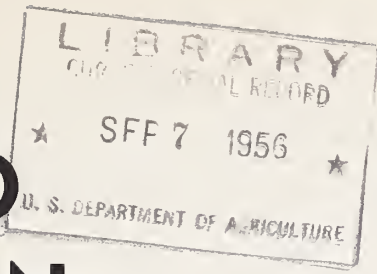


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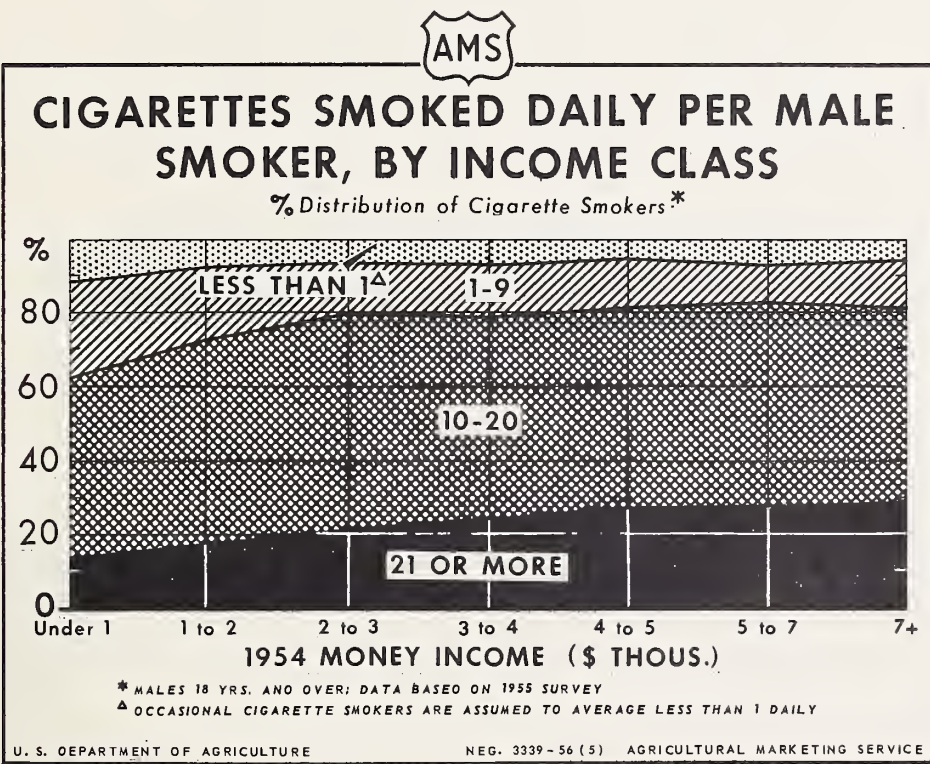
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The TOBACCO SITUATION



FOR RELEASE
JUNE 26, A.M.
1956

TS-76



Of the men who smoke cigarettes, the majority at practically all income levels smoke 10 to 20 daily. The proportion smoking more than 1 pack a day increases at each income level up to \$4,000, but changes little at higher incomes. The proportion regularly smoking less than one-half pack a day is smaller among smokers with incomes of \$2,000 or more than among

those with incomes below this amount. The occasional smokers, who are assumed to average less than 1 cigarette daily, make up the lowest proportion of cigarette smokers at each income level. (See the special article in this issue for further information and data on rates of smoking based on a national survey.)

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL MARKETING SERVICE

STATISTICAL SUMMARY

Item	Unit or base period	1955				1956				Last data available as per- centage of a year earlier
		Jan.	Feb.	Mar.	Apr.	Jan.	Feb.	Mar.	Apr.	
Average prices at auctions										
Flue-cured	Cents per lb.	29.3	C - 1 - o - s - e - d			*	C - 1 - o - s - e - d			---
Burley	Cents per lb.	47.2	C - 1 - o - s - e - d			58.3	C - 1 - o - s - e - d			124
Maryland	Cents per lb.		C - 1 - o - s - e - d				C - 1 - o - s - e - d			---
Fire-cured	Cents per lb.	37.1	37.8	34.7	Closed	37.3	35.6	32.8	Closed	95
Dark air-cured (35-36)	Cents per lb.	34.5	30.0	C-1-o-s-e-d		31.7	32.8	C-1-o-s-e-d		109
Virginia sun-cured (37)	Cents per lb.	32.3	26.6	C-1-o-s-e-d		25.4	22.8	C-1-o-s-e-d		86
Parity prices										
Flue-cured	Cents per lb.	53.5	53.5	53.7	53.7	53.4	53.2	53.6	54.0	101
Burley	Cents per lb.	51.3	51.3	51.3	51.3	52.0	51.8	52.5	52.8	103
Maryland	Cents per lb.	54.1	54.1	54.2	54.2	52.4	52.2	52.9	52.9	98
Fire-cured	Cents per lb.	---	35.7	35.8	35.8	---	35.3	35.5	35.8	100
Dark air-cured (35-36)	Cents per lb.	30.3	30.3	30.4	30.4	30.3	30.2	30.5	30.7	101
Virginia sun-cured (37)	Cents per lb.	34.0	34.0	34.1	34.1	32.3	32.2	32.4	32.7	96
Parity index 1/										
	1910-14=100	283	283	284	284	281	280	282	284	100
Tax-paid removals										
Cigarettes, small	Billion	30.4	28.7	33.7	28.8	32.9	30.7	32.5	30.2	105
Cigars, large	Million	408	400	468	446	453	463	502	501	112
Chewing and smoking	Mill. lb.	12.7	11.7	14.5	13.0	11.9	11.4	12.6	12.5	96
Snuff	Mill. lb.	3.2	3.3	3.7	3.4	3.4	3.3	3.1	3.2	94
Accumulated from Jan. 1										
Cigarettes, small	Billion	30	59	93	122	33	64	96	126	103
Cigars, large	Million	408	808	1,276	1,721	453	916	1,418	1,919	112
Chewing and smoking	Mill. lb.	13	24	39	52	12	23	36	48	92
Snuff	Mill. lb.	3	7	10	14	3	7	10	13	93
Tax-free removals										
Cigarettes, small	Billion	3	3	3	2	2	2	3	2	100
Cigars, large	Million	6	9	6	5	5	4	6	5	100
Chewing and smoking	Mill. lb.	.3	.4	.3	.3	.2	.2	.3	.3	100
Accumulated from Jan. 1										
Cigarettes, small	Billion	3	5	8	10	2	4	7	9	90
Cigars, large	Million	6	15	22	27	5	9	15	20	74
Chewing and smoking	Mill. lb.	.3	.7	1.0	1.3	.2	.4	.7	1.0	77
Disposable personal income 2/										
	Bil. dol.			261.0				277.0		106
Index of industrial production 3/										
	1947-49=100	132	133	135	136	143	143	141	142	104
Employment										
Labor force employed	Million	60.2	59.9	60.5	61.7	62.9	62.6	63.1	64.0	104
	Percent	94.7	94.7	95.0	95.4	95.6	95.6	95.7	96.1	101
Exports (farm-sales wt.)										
Flue-cured	Mill. lb.	28.1	24.3	27.3	13.9	43.6	23.5	22.8	26.0	187
Burley	Mill. lb.	3.2	2.9	5.3	3.0	1.7	2.7	2.6	1.9	63
Maryland	Mill. lb.	.5	.4	.9	.8	2.4	.2	.7	1.4	175
Fire-cured	Mill. lb.	1.5	2.2	4.3	1.9	3.1	4.8	3.1	2.0	105
Dark air-cured	Mill. lb.	.6	1.0	2.9	.5	.3	.7	.7		24
Cigar	Mill. lb.	.4	.5	.4	.5	.4	.5	.8		200
Accumulated from begin- ning of marketing yr. 4/										
Flue-cured	Mill. lb.	320.3	344.6	371.8	385.8	419.4	442.9	465.7	491.7	127
Burley	Mill. lb.	9.9	12.7	18.1	21.0	11.4	14.1	16.7	18.6	89
Maryland	Mill. lb.	3.4	3.8	4.7	5.5	5.8	6.1	6.8	8.2	149
Fire-cured	Mill. lb.	9.5	11.7	16.0	18.0	11.4	16.1	19.2	21.2	118
Dark air-cured	Mill. lb.	3.3	4.3	7.2	7.7	1.5	2.2	2.9		40
Cigar filler and binder	Mill. lb.	.8	1.0	1.0	1.1	1.1	1.3	1.5		150
Cigar wrapper	Mill. lb.	2.4	2.8	3.1	3.6	3.0	3.4	3.9	4.3	119
General imports, all commodities										
	Mill. dol.	870	850	1,019	871	1,073	1,043	1,101	990	114
Accumulated from Jan. 1	Mill. dol.	870	1,720	2,738	3,595	1,073	2,116	3,217	4,207	117
Sterling area gold and dollar reserves 5/										
	Mill. dol.	2,763	2,681	2,667	2,686	2,149	2,210	2,277	2,328	87
Stocks of domestic types (farm-sales weight) 6/										
Flue-cured	Mill. lb.	2,553			2,301	2,811			2,519	109
Burley	Mill. lb.	1,437			1,611	1,566			1,560	97
Maryland	Mill. lb.	69			60	78			69	115
Fire-cured	Mill. lb.	124			165	125			165	100
Dark air-cured	Mill. lb.	84			93	85			98	105
Cigar, filler	Mill. lb.	158			213	172			218	102
Cigar, binder	Mill. lb.	117			141	112			136	96
Cigar, wrapper	Mill. lb.	26			22	25			21	95

1/ Prices paid, interest, taxes, and farm wage rates. 2/ Quarterly, annual rate, seasonally adjusted. 3/ Seasonally adjusted. 4/ July 1 for flue-cured and cigar wrapper and October 1 for other types. 5/ Held in London. 6/ Dealers' and manufacturers' holdings in United States and Puerto Rico on first day of quarter. *Marketings negligible.

T H E T O B A C C O S I T U A T I O N

Approved by the Outlook and Situation Board June 20, 1956

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SUMMARY

Domestic consumption of flue-cured, the leading cigarette tobacco, during the July 1955-June 1956 marketing year is estimated at about 750 million pounds--very little different from that in 1954-55. However, exports of flue-cured, the predominant export tobacco, probably are near 535 million pounds (farm-sales weight) for the year just ending. This is about one-fourth larger than in 1954-55 and the largest on record except for 1946-47.

Domestic consumption of burley, the second ranking cigarette tobacco, during the October 1955-September 1956 marketing year is expected to approach 490 million pounds--not markedly different from that of a year earlier. Although cigarettes are by far the major outlet for burley, sizable quantities are used in the manufacture of pipe and chewing tobacco. Exports will probably fall short of the 1954-55 total of 33 million pounds (farm-sales weight).

For Maryland, dark air-cured, and shade-grown cigar wrapper, domestic use of each in 1955-56 is expected to be about the same as in 1954-55 but increases are indicated for fire-cured and cigar filler tobacco. On the other hand, domestic use of cigar binder tobacco seems likely to be down 10 percent or more from last year's level. The principal outlet for Maryland tobacco is cigarettes; for fire-cured, snuff; for dark air-cured, chewing tobacco; and for cigar filler, binder, and wrapper types, cigars. However,

a sizable amount of the lower grades of the cigar binder types is used in scrap chewing tobacco. Exports of Maryland, cigar wrapper, and fire-cured tobacco in 1955-56 probably will exceed 1954-55 levels, but exports of dark air-cured tobacco thus far in the marketing year have been sharply below a year earlier.

The number of cigarettes manufactured in 1956 may rise to about 425 billion--3 percent more than in 1955 and second only to the 1952 record of 435 1/2 billion. The principal reasons for the gain are the sustained high level of personal income nationally and increase in number of smokers primarily from those reaching smoking age. Consumption of filter tip cigarettes continues to increase according to trade indications.

Domestic use of the cigarette types of tobacco does not appear to be increasing in line with the increase in the number of cigarettes being manufactured. This may be due to less tobacco being used per unit of output for some brands of filter tips and also the use of "processed tobacco" in a few brands. The "processed tobacco" is made from fibrous portions of the leaf in combination with small pieces of leaf that ordinarily could not be used in cigarettes heretofore. Thus, the number of cigarettes made from a pound of farm-sales-weight tobacco would tend to be greater than formerly.

Cigar consumption in the United States during 1956 may total about 6.2 billion--2 to 3 percent more than in 1955. Consumption of cigarillos reportedly made sizable gains during the first quarter of the year. Further expansion of the use of "manufactured binder sheet" is being planned. This reduces the quantity of binder leaf needed since tobacco stems, scrap, and broken pieces, previously not usable for cigar binders, can be used in "manufactured binder sheet."

Output of smoking tobacco in 1956 is likely to be somewhat lower than the 80 million pounds in 1955. With most consumer incomes remaining at a high level, the smoking of pipes and "roll-your-own" cigarettes tends to be less preferred than other forms of smoking.

Output of chewing tobacco in 1956 probably will be 1 or 2 million pounds less than the 79 million for last year. This will continue the persistent downtrend that has been going on for many years in the consumption of chewing tobacco.

Snuff output and consumption are expected to total about 39 million pounds. Calendar year output ranged within one-half million pounds of 39 million in each of the last 5 years.

Exports of unmanufactured tobacco during calendar year 1956 probably will not reach the comparatively high 1955 figure of 600 million pounds (farm-sales weight) but are expected to be somewhat above the 1950-54 average

of 530 million pounds. Favoring the continuation of United States tobacco exports at a fairly good level are the flourishing economic activity in many major importing countries and the large United States imports, which enable foreigners to buy from this country. Also the Public Law 480 programs, which make possible sales for foreign currencies under certain conditions, will assist tobacco exports. However, expanded tobacco production in foreign producing areas is increasing the competition for overseas markets.

The carryover of flue-cured on July 1, 1956 (the beginning of the 1956-57 marketing year), is expected to be about 10 percent larger than a year earlier--reflecting last year's record crop. Acreage has been reduced and a somewhat smaller crop is expected this year than last. The total 1956-57 supply of flue-cured (carryover plus the new crop) may vary only about 2 percent from the 1955-56 level.

The carryover of burley on October 1, 1956 (beginning of the 1956-57 marketing year), is expected to be about 4 percent below last October 1--but would exceed any previous carryover. Burley acreage this year is likely to be about the same as last year. If this year's crop turns out a little heavier than last year's, the 1956-57 total supply of burley probably will be around 2 percent lower than for 1955-56 and 5 percent below the peak 1954-55 figure.

The total 1956-57 supplies of Maryland tobacco, the dark air-cured types, and perhaps shade-grown wrapper seem likely to be above their 1955-56 levels, but total 1956-57 supplies of fire-cured, the continental cigar filler types, and the cigar binder types probably will be smaller. Maryland tobacco is being grown this year under acreage allotments for the first time since 1953. The 1956 acreage allotments of fire-cured and dark air-cured and Virginia sun-cured are practically the same as last year but for most farms growing cigar filler and binder types 42-44 and 51-55, the 1956 acreage allotments are about 12 1/2 percent smaller than for 1955.

The 1956 crops of flue-cured, burley, Maryland, and cigar filler and binder types 42-44 and 51-55 will receive Government price support at 90 percent of the applicable parity. Fire-cured tobacco is supported at 75 percent and dark air-cured and Virginia sun-cured, at 66 2/3 percent of the burley price support level. The minimum levels of price support for the 1956 crops were announced on April 18 by the Department of Agriculture. If at the beginning of the marketing year (July 1 for flue-cured and October 1 for other types), the applicable tobacco parities are higher than when the minimums were calculated, the support levels will be raised. If the parities should decline, the minimums will become the actual support levels for the 1956 crops. Thus far, parity prices for the several kinds of tobacco have increased a little over what they were when the minimum supports were determined.

TOBACCO PRODUCTS

Cigarettes

The number of cigarettes manufactured during the first third of 1956 was above a year earlier and for the year as a whole, seems likely to be about 425 billion. This would be 3 percent more than in 1955 and second only to the 1952 record of 435 1/2 billion. Cigarette consumption in this country accounts for 93 percent of the output--the other 7 percent going mainly to overseas forces and as commercial exports. The quantity shipped for overseas forces has declined in the last few years as troops have returned. Exports also have fallen off a little in the last 2 or 3 years.

The principal reasons for expecting another modest gain in cigarette consumption are the sustained high level of personal income nationally, the addition of new smokers from those reaching smoking age, and trade indications of further increases in the popularity of filter tip cigarettes. Some cigarette smokers who stopped a year or two ago or who reduced their consumption probably have resumed or increased their consumption--mainly using filter tip cigarettes. Some trade sources predict that at least one-fourth of total domestic cigarette consumption will be filter tips this year compared with around 19 percent last year.

There are no official figures on how many of the cigarettes manufactured are regular size, king size, and filter tip. Aggregate tobacco consumption when measured in pounds partly depends on the proportions of these categories. King size cigarettes weigh more than regular size cigarettes. Less tobacco is used in a substantial number of filter tip cigarettes than in either king size or regular size. Non-Government sources have indicated that king size cigarettes contain from 12 to 17 percent more tobacco than regular size cigarettes and that some filter tips contain around 7 percent less tobacco than regular size cigarettes. This variation in weight of different categories of cigarettes has become increasingly significant as the proportion of regular size cigarettes of fairly uniform weight has shrunk from an estimated 90 percent in 1950 to about 55 percent in 1955.

Cigarettes are taxed in 42 States and the District of Columbia. State tax data indicate widespread increases in cigarette consumption during the first third of 1956 over a year earlier. It appears that Federal and gross State taxes from cigarettes in the fiscal year ending June 30, 1956, will total about 2.1 billion dollars--approximately 100 million more than in the previous year. In the 6 States not levying a cigarette tax, the Federal tax of 8 cents per pack of 20 applies and in the other 42 States, an additional average of about 3 3/4 cents applies or a total of about 11 3/4 cents per pack.

Table 1.- Cigarettes: Total output, domestic consumption, and exports for specified periods

Period	Total output	Domestic consumption <u>1/</u>	Tax-free removals <u>2/</u>	
			Total	Exports
	<u>Billions</u>	<u>Billions</u>	<u>Billions</u>	<u>Billions</u>
Average:				
1935-39	164.2	157.0	7.2	5.5
1940-44	256.9	223.5	33.3	5.8
1945	332.2	267.2	65.0	6.9
1946	350.0	321.7	30.7	24.1
1947	369.7	335.4	34.3	22.8
1948	386.8	348.5	38.7	25.2
1949	385.0	351.8	33.2	19.5
1950	392.0	360.2	31.8	14.3
1951	418.8	379.7	38.9	16.8
1952	435.5	394.1	40.0	16.4
1953	423.1	386.8	37.0	16.2
1954	401.8	368.7	33.1	15.4
1955	412.5	382.1	30.3	15.1
<u>Fiscal year</u>				
Year beginning July				
1951	422.1	384.0	38.2	16.5
1952	436.5	396.9	39.5	17.0
1953	413.6	377.7	35.5	15.6
1954	407.7	375.2	32.5	15.1
1955 <u>3/</u>	416.0	387.0	29.0	14.7

1/ As indicated by tax-paid removals. 2/ Besides exports, tax-free removals include principally shipments to forces overseas, to United States possessions, and ships' stores. 3/ Preliminary estimate.

Basic data but not the estimates compiled from reports of the Internal Revenue Service and the Bureau of the Census.

The Department of Agriculture reported that as of March 1956 prices paid in rural areas for cigarettes averaged 23.1 cents per pack--nearly 3 percent higher than a year earlier. A survey of retail prices in 198 cities reported by the Tobacco Tax Council, a private group, indicated the average price per pack as of November 1, 1955, was 23.2 cents per pack--also about 3 percent above the average for 114 cities reported by this group a year earlier.

The advance in prices of most brands of king size cigarettes in April 1955 and the increase in the tax rate in some States contributed to the higher average price of the last several months than a year earlier. In May one major manufacturer of cigarettes gave notice of price increases that would have meant an increase of 1 cent per pack at retail but rescinded the increases when other companies took no action.

Shipments of tax-free cigarettes for commercial export and for use of overseas troops continued to decline during the first third of 1956. By early 1956, the armed forces overseas had been reduced about 12 percent below a year earlier. For January-April comparisons of commercial exports of cigarettes to leading destinations this year and last. (See table 2.)

Table 2.--Cigarette exports from the United States to leading destinations for specified periods

Country	January-April						
	Average	1953	1954	1955	1955	1956	1956 as
	1948-52		1/	1/	1/	1/	percent-
							age of
	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Pct.
Venezuela	1,181	1,411	1,541	1,744	571	588	103
Tangier-Fr. Morocco	1,551	2,036	1,504	1,144	341	379	111
France	384	692	630	979	279	188	67
Hong Kong	952	948	721	842	308	270	88
O. Sp. Africa	8	10	438	682	199	156	78
Sweden	509	838	690	679	140	249	178
Panama-Canal Zone	686	833	682	617	230	163	71
Spain	7	311	312	538	120	160	133
British Malaya	476	501	438	511	152	225	148
Belgium	985	958	848	507	229	112	49
Other countries 2/	11,697	7,711	7,622	6,883	2,438	2,150	88
Total all countries	18,436	16,249	15,426	15,126	5,007	4,640	93

1/ Preliminary. 2/ Includes approximately 90 to 95 foreign destinations in recent years.

Compiled from publications and records of the Bureau of the Census.

Cigars

Cigar consumption in the United States during the first third of 1956 ran appreciably higher than a year earlier and for 1956 as a whole, may total about 6.2 billion--2 to 3 percent more than in 1955. Much of the increase

Table 3.--Cigars 1/: Output and domestic consumption for specified periods

Period	Domestic factories			Bonded manufacturing warehouses	Imports for consumption	From Puerto Rico: Tax-paid with-drawals in United States		Total tax-paid consumption
	Total output	Tax-paid removals	Tax-free removals	Tax-paid removals	Total 2/	From Cuba		
	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.
Average:								
1935-39	5,075	5,060	13	66	192.4	3.0	27.4	5,346
1940-44	5,450	5,282	199	105	93.7	15.3	11.6	5,492
1945	5,275	4,774	469	82	60.0	59.8	85.3	5,001
1946	5,618	5,621	26	125	22.2	20.1	77.8	5,846
1947	5,488	5,460	41	124	12.5	9.1	6.2	5,603
1948	5,645	5,588	38	140	11.8	10.3	5.0	5,745
1949	5,453	5,399	46	142	10.9	10.2	4.6	5,556
1950	5,399	5,365	47	160	11.9	11.1	.7	5,538
1951	5,594	5,518	85	177	14.3	13.0	.7	5,710
1952	5,825	5,755	102	196	14.6	12.5	1.9	5,968
1953	5,915	5,820	90	205	16.8	13.4	9.9	6,052
1954	5,820	5,690	89	206	16.3	12.3	49.5	5,962
1955 3/	5,760	5,828	82	215	20.3	14.7	84.3	4/6,030
Fiscal year								
Year beginning: July								
1951	5,685	5,619	87	193	14.4	13.0	.7	5,827
1952	5,911	5,789	94	203	15.6	12.6	3.3	6,011
1953	5,849	5,736	101	199	16.2	12.6	30.0	5,981
1954	5,783	5,714	82	222	18.2	14.3	66.4	6,019
1955 5/	5,880	6,000	70	225	21.5	15.5	95.0	4/6,150

1/ Weighing over 3 pounds per 1,000 and including cigarillos. 2/ Predominant share of cigar imports prior to World War II came from the Philippine Islands. 3/ Subject to revision. 4/ Adjusted for presumed duplication of reprocessed cigars which may have been counted twice in the factory removals. 5/ Preliminary estimate.

Basic data but not estimates compiled from reports of the Internal Revenue Service and the Bureau of the Census.

is due to the stepped up consumption of cigarillos, which reportedly made sizable gains during the first 3 months of 1956 compared with a year ago. Since cigarillos are notably smaller than the traditional average size cigar, their tobacco requirement per unit of output is smaller. The increased total number of cigars probably does not mean the same relative increase in pounds of tobacco.

Plans have been reported to further expand the use of "manufactured binder sheet" in place of natural leaf binders. This cuts costs of manufacturing. Further, it reduces the quantity of binder leaf needed since tobacco stems, scrap, and broken pieces, previously not usable for cigar binders, can be utilized in "manufactured binder sheet." The use of an adhesive also reduces the amount of tobacco required per unit.

According to the Bureau of Labor Statistics indexes, manufacturers' prices for four categories of cigars have been fairly constant during the last few years. There were slight increases last summer and fall in the popular- and medium-priced categories.

Internal Revenue Service data on tax stamps indicate that in the 9 months ending March 31, 1956, about 41 percent of all cigars retailed at 8.1-15.0 cents and nearly 39 percent at 4.1-6.0 cents. Almost 10 percent were in the 6.1-8.0 cent group, about 6 percent in the over 15 cent group, and 4 percent in the 4 cents and less group. This distribution was almost the same as in the comparable period a year earlier except for the little larger proportion in the 4.1-6.0 cent group, which includes the cigarillos.

Shipments of tax-free cigars--about $1\frac{1}{2}$ percent of domestic output in the last 3 years--during January-April 1956 fell off some from a year earlier. This probably reflects the smaller requirements for the armed forces overseas. Commercial exports of cigars represent only a small fraction of the tax-free cigars.

Smoking Tobacco

During the first third of 1956, the output of smoking tobacco for pipes and "roll-your-own" cigarettes dropped fairly sharply below that of a year earlier and for 1956 as a whole, probably will be somewhat lower than the 80 million pounds for 1955. With most consumer incomes remaining high, the smoking of pipes and "roll-your-own" cigarettes tend to be less preferred than other forms of smoking. Since 1950, there has been a downtrend in smoking tobacco consumption except from mid-1954 to mid-1955 when it stabilized and even increased a little. Available price data for smoking tobacco in rural areas indicate about a 9 percent increase in retail prices from mid-1950 through 1955--reflecting the similar increase that occurred in manufacturer's prices (excise tax included).

Table 4.--Output of manufactured tobacco in the United States for specified periods

Period	Chewing						Snuff
	Smoking	Plug	Twist	Fine- cut	Scrap	Total	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	
Average							
1935-39	195.3	56.8	6.0	4.8	43.8	111.4	37.3
1940-44	176.2	54.8	6.0	4.6	47.9	113.3	40.7
1945	168.5	59.7	6.7	4.0	47.7	118.1	43.8
1946	106.4	51.8	5.8	3.8	46.1	107.5	39.4
1947	104.7	47.3	5.2	3.8	42.2	98.5	39.2
1948	107.6	45.3	5.6	3.2	42.1	96.2	40.8
1949	108.1	41.9	5.6	2.8	39.6	89.9	40.9
1950	107.7	40.3	5.5	2.7	39.0	87.5	40.0
1951	101.3	39.9	4.6	2.8	39.1	86.4	39.5
1952	96.8	39.1	4.8	2.8	38.2	84.9	38.8
1953	86.6	38.1	4.7	2.9	38.1	83.8	39.1
1954	83.7	37.0	4.9	2.9	36.6	81.4	38.5
1955 <u>1/</u>	79.8	35.5	4.4	3.0	36.2	79.1	39.2
Fiscal year							
Year beginning July							
1951	98.0	39.4	4.5	2.8	39.0	85.7	39.1
1952	92.3	38.5	4.9	2.8	37.5	83.7	38.1
1953	83.1	37.6	4.7	2.9	37.5	82.7	39.0
1954	84.8	36.7	4.9	3.0	36.5	81.1	38.8
1955 <u>2/</u>	76.0	34.3	4.4	3.0	35.7	77.4	38.6

1/ Subject to revision. 2/ Preliminary estimate.

Basic data but not the estimates compiled from reports of the Internal Revenue Service.

Cigarette papers for roll-your-own cigarettes are given away when in packets of 25 or less and are sold and subject to Federal tax when in packets or books of more than 25. Current monthly data are available on tax-paid cigarette papers only, which are believed to comprise over one-half of the total. In the 9 months ending March 31, tax-paid withdrawals of cigarette papers dropped 13 percent below the corresponding period for a year earlier.

In 1955 about 97 percent of the smoking tobacco output was consumed in this country. The other 3 percent went to overseas forces or was exported commercially. The five leading export outlets for packaged smoking tobacco in 1955--Canada, Sweden, Denmark, France, and Hong Kong--accounted for 61 percent of total commercial exports.

Exports of bulk manufactured tobacco have increased substantially in recent years and continued relatively larger during the first third of 1956. The classification includes especially prepared cigarette tobacco, cut or granulated tobacco, partially blended tobacco, and shredded tobacco, much of which is not included in smoking tobacco output as reported by Internal Revenue. The 1955 export of bulk smoking tobacco totaled nearly $6\frac{1}{4}$ million pounds-- $1\frac{1}{2}$ million more than in 1954. Last year the eight ranking foreign destinations were Spain, Australia, Philippine Republic, Mexico, Panama, Haiti, Dominican Republic, and Bolivia. They accounted for 94 percent of the total bulk manufactured tobacco shipped. The January-April 1956 exports of bulk smoking tobacco were 1.9 million pounds--nearly the same as in the corresponding months in 1955.

Chewing Tobacco

During the first third of 1956, the output of chewing tobacco was a little below that in the corresponding period of a year earlier. For 1956 as a whole, it probably will total 1 to 2 million pounds less than the 79 million pounds for 1955. This will continue the persistent downtrend in the consumption of chewing tobacco that has been going on for many years. Since 1950, the average yearly decline in output has been 1.7 million pounds. The two major categories of chewing tobacco are plug and scrap--each of which comprises 45 percent of the total. The remaining 9 or 10 percent is twist and fine-cut chewing.

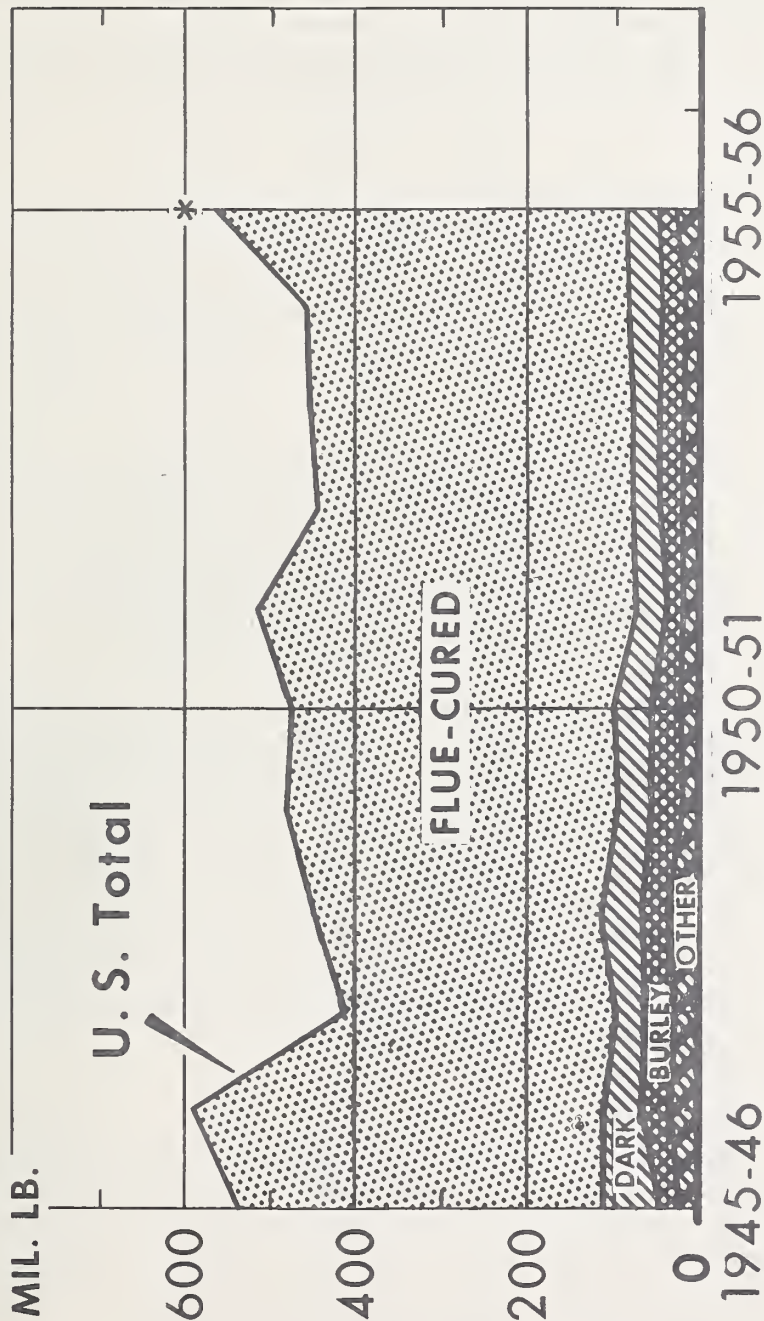
The Bureau of Labor Statistics indexes indicate that manufacturers' prices for plug chewing tobacco were reduced slightly last September and have remained unchanged since. This was the only change in manufacturers' prices since 1946 except for November 1951 when the Federal excise tax was reduced.

About 98 percent of the chewing tobacco output is consumed tax-paid in this country. The 1955 exports--mostly plug and twist--totaled 1.6 million pounds, the great bulk of which went to Australia and the Philippine Republic.

Snuff

Snuff output and consumption during 1956 are expected to total about 39 million pounds. Calendar year output from 1951 through 1955 ranged within one-half million pounds of 39 million. During the first third of 1956, output of snuff was about 3 percent lower than in the corresponding period of 1955. Manufacturers' prices for snuff (including the Federal excise) as of April 1956 were 2 percent higher than a year earlier and 12 percent above April 1950. The last reported increase was in August 1955.

TOBACCO EXPORTS



UNMANUFACTURED, DECLARED WEIGHT, FISCAL YEAR BASIS
 * ESTIMATE BASED ON 10 MONTHS DATA

U. S. DEPARTMENT OF AGRICULTURE
 NEG. 3321-56 (5) AGRICULTURAL MARKETING SERVICE

Exports of unmanufactured tobacco for the year ending June 30, 1956 are estimated at about 560 million pounds (equivalent to 625 million, farm-sales-weight)--22 percent above 1954-55 and the largest since the heavy postwar shipments of 1946-47. Stronger demand and Public Law 480 programs (under which foreign currencies are accepted in lieu of dollars) both contributed to the high export level in 1955-56. The predominant export tobacco

is flue-cured, which accounted for most of the increase. Burley exports have held fairly steady the last 4 years. Exports of fire-cured tobacco may total a little higher in 1955-56 than in the preceding year but exports of dark air-cured types are off sharply. Exports of Maryland tobacco and also shade-grown wrapper made sizable percentage gains from 1954-55 to 1955-56.

EXPORTS OF UNMANUFACTURED TOBACCO FROM THE UNITED STATES 1/

Leaf tobacco was the third ranking agricultural export in 1955--exceeded only by wheat and cotton. The total value of unmanufactured tobacco exported in 1955 was over 356 million dollars--a record high--compared with 480 million for wheat (including wheat flour) and 477 million for cotton (including linters). The 1955 value of tobacco exports represented 11 percent of the total value of all agricultural exports compared with an average 9 percent during 1950-54.

Exports of tobacco during calendar 1956 probably will not reach the comparatively high 1955 figure 540 million pounds (600 million--farm-sales weight) but are expected to be somewhat above the 1950-54 average of 474 million pounds (530 million--farm-sales weight). Last year's exports were boosted mainly by the larger-than-usual takings of the United Kingdom for building up stocks, the sharply increased shipment to Japan and somewhat larger shipments to Belgium and Australia.

Favoring the continuation of United States tobacco exports at a fairly high level are the flourishing economic activity in many important importing countries and the large United States imports from abroad, which enables foreigners to buy from this country. Also contributing to the level of tobacco exports are Public Law 480 programs, which make possible sales for foreign currencies under certain conditions. Such sales must represent above-normal takings.

At the beginning of 1956, the estimated gold reserves and dollar holdings of continental Western Europe were 11 percent larger than a year earlier and 13 percent above 2 years earlier. Increases above a year earlier were indicated for Germany, France (and dependencies), Belgium, Netherlands, Switzerland, Sweden, Spain, Indonesia, Japan, and Egypt--all importers of substantial quantities of tobacco. Indications are that for several countries additional increases in reserve holdings occurred during the first quarter of 1956. Gold and dollar holdings for the sterling area held in London after declining from late 1954 to the end of 1955 turned upward in early 1956. At the end of May, the sterling area centrally-held reserves were 12 percent above the figure for December 31, 1955, but still 12 percent below the figure for May 31, 1955.

This country's imports are by far the largest source of dollars to foreigners who seek to make purchases from this country. General imports into the United States were at a record level in 1955 and are running even higher in 1956. During the first third of 1956, the total dollar value of general imports was 17 percent larger than in the same period of 1955.

1/ Quantities of tobacco in this section are stated in terms of export weight, which is less than the equivalent farm-sales weight.

Table 5.--United States exports of unmanufactured tobacco by types and to principal importing countries for specified periods

(Declared weight)							
Country and type	Average	1953	1954	1955	January-April		
	1948-52		1/	1/	1955	1956	1956 as
					1/	1/	percentage of 1955
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Percent
Flue-cured	371.9	444.3	374.8	456.0	82.8	102.9	124
Burley	29.7	25.0	29.6	31.3	12.5	7.7	62
Maryland	7.2	8.2	8.7	8.4	2.5	4.6	184
Va. fire-cured and sun-cured	5.5	4.3	4.0	4.3	1.2	1.9	158
Ky. & Tenn. fire-cured	24.7	19.5	20.9	21.4	7.6	9.7	128
Green River	1.9	1.8	2.1	1.8	1.5	.5	33
Black Fat, etc.	4.3	3.9	4.5	5.3	1.8	1.1	61
Cigar wrapper	)	3.9	3.4	4.2	1.2	1.5	125
Cigar binder	)9.9	3.1	1.7	1.7	.4)	
Cigar filler	)	.6	.2	.2	2/)	
One Sucker	3.0	1.0	.9	1.7	1.6	)3/2.3	70
Perique	.1	.1	.1	.1	.1)	
Stems, trimmings, and scrap	6.0	3.0	2.7	3.3	1.2)	
Total	464.2	518.7	453.6	539.7	114.2	132.2	116
Country of destination:							
United Kingdom	149.1	179.7	150.0	183.9	13.0	32.1	247
France	8.3	4.7	12.6	7.9	4.1	2.6	63
Belgium	21.9	12.6	12.2	24.8	7.9	7.0	89
Netherlands	30.0	38.1	38.1	30.9	8.0	9.8	122
Germany, W. & E.	64.5	71.9	43.3	59.1	16.6	24.7	149
Portugal	8.3	6.9	7.4	6.9	4.5	2.5	56
Denmark	11.0	11.8	9.5	12.3	3.4	1.8	53
Ireland	17.8	17.5	14.1	12.8	2.0	1.1	55
Switzerland	12.7	11.9	11.7	10.8	3.3	6.1	185
Norway	8.1	7.4	7.6	7.8	2.4	2.5	104
Sweden	11.7	10.2	9.6	11.3	2.3	2.2	96
Italy	2.9	5.6	3.9	4.5	2/	1.0	---
Hong Kong	6.4	4.1	3.5	4.3	1.7	1.2	71
Australia	20.2	26.7	28.2	31.6	3.2	2.5	78
India-Pakistan	6.9	2.9	3.5	5.6	2.1	1.1	52
New Zealand	5.8	5.8	6.6	7.6	3.5	2.3	66
Philippine Rep.	13.5	20.9	19.5	21.0	7.1	1.3	183
Indonesia	8.6	13.0	10.3	9.9	2.1	4.3	205
Japan	1.9	9.5	6.7	17.5	4.7	2/	---
Other countries	54.6	57.5	55.3	69.2	22.5	26.1	116
Total	464.2	518.7	453.6	539.7	114.4	132.2	116

1/ Preliminary. 2/ Less than 50,000 pounds. 3/ January-March--cigar binder, .3; filler, .1; One Sucker, negligible; and other, 1.9.

Compiled from publications and records of the Bureau of the Census.

Table 6.--Flue-cured tobacco, types 11-14: Value per pound of the exports to selected major countries and to all countries, marketing years, for specified periods

Year begin- ning July 1	United Kingdom	Germany 1/	Belgium	Nether- lands	Ireland	Philip- pines	Australia	Indonesia 2/	Japan	Other countries	All countries
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Average:											
1924-28:	47.8	17.9	21.7	18.3	---	---	37.7	---	39.2	22.5	35.6
1934-38:	46.4	17.8	14.6	13.5	37.2	13.8	36.3	20.2	27.5	22.5	38.4
1945	55.6	---	36.1	40.5	56.1	25.6	54.6	---	---	58.7	55.4
1946	63.3	---	31.8	39.5	56.6	---	64.4	41.1	---	56.3	58.2
1947	57.2	20.7	28.0	33.9	55.3	---	58.4	39.9	---	51.6	51.4
1948	53.8	29.3	32.3	33.8	59.9	24.0	69.2	50.9	---	56.5	50.6
1949	55.3	32.2	30.0	27.2	56.3	25.0	68.2	54.9	---	61.6	48.7
1950	64.0	43.5	36.9	42.9	62.0	62.6	69.3	60.7	78.4	70.9	59.7
1951	66.3	54.5	44.9	44.8	68.0	55.0	74.9	64.2	84.3	72.8	64.6
1952	69.6	57.4	40.9	43.6	70.1	51.3	76.6	66.0	86.7	70.6	64.6
1953	71.1	61.3	40.7	43.1	69.6	54.2	79.5	67.9	90.5	72.0	66.9
1954 3/	73.2	61.9	37.4	43.2	72.3	56.6	79.8	67.7	84.3	69.2	67.9
1955 4/	71.6	63.5	36.4	42.4	71.0	53.6	76.8	53.8	79.4	69.2	67.2

1/ West Germany after World War II. 2/ Netherlands Indies prior to World War II. 3/ Preliminary.
4/ July 1955-April 1956.

Computed from the declared values and export weights as reported in publications of the United States Department of Commerce.

Table 7.--Burley and Maryland tobacco: Value per pound of the exports to selected major countries and to all countries, marketing years, for specified periods

Year begin- ning Oct. 1	Burley, type 31							Maryland, type 32 2/			
	Germany 1/	Belgium	Portugal	Sweden	Denmark	Nether- lands	All countries	Switzer- land	Nether- lands	France	All countries
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Average:											
1934-38:	24.4	11.7	18.6	36.8	17.4	16.0	20.5	39.6	9.5	35.6	23.5
1945	---	32.0	37.4	73.9	35.7	36.9	40.2	63.2	55.8	38.6	62.3
1946	---	30.4	32.4	61.3	35.9	32.8	47.4	73.0	26.3	16.2	56.9
1947	26.2	30.7	34.7	59.7	34.4	24.7	46.7	66.2	27.0	18.9	49.5
1948	34.9	32.5	33.7	54.2	45.6	36.1	43.0	71.4	26.2	---	59.8
1949	36.4	30.0	33.3	60.9	38.5	31.3	38.8	74.8	30.7	70.0	63.8
1950	41.6	32.2	35.6	58.6	39.0	35.0	46.1	79.3	33.7	76.7	64.9
1951	50.3	32.6	31.8	71.5	51.0	43.9	52.0	83.7	29.2	3/	72.3
1952	56.1	33.0	33.3	74.9	48.4	42.8	53.2	82.7	34.0	---	66.5
1953	53.9	33.1	32.9	77.4	45.2	42.5	51.9	80.0	30.7	---	61.4
1954 4/	59.5	34.3	29.6	76.5	48.1	38.8	54.3	84.0	37.2	79.2	70.1
1955 5/	60.6	40.3	26.2	73.2	48.8	36.3	57.2	79.4	35.9	---	60.8

1/ West Germany after World War II. 2/ Prior to 1949, export class called "Maryland and Ohio Export."
3/ Quantity negligible. 4/ Preliminary. 5/ October 1955-April 1956.

Computed from the declared values and export weights as reported in the publications of the United States Department of Commerce.

Table 8.--Fire-cured tobacco: Value per pound of the exports to selected major countries and to all countries, marketing years, for specified periods

Year beginning: October 1:	Kentucky and Tennessee fire-cured, types 22-23 1/							Virginia fire-cured, type 21				
	France	Nether- lands	Switzer- land	Belgium	United Kingdom	Sweden	All coun- tries	Norway	Sweden	United Kingdom	Germany 2/	All coun- tries
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Average:												
1924-28:	9.3	25.3	17.2	10.6	23.5	17.6	16.6	31.3	26.9	38.4	32.2	26.7
1934-38:	10.7	15.3	15.7	10.4	19.3	17.9	12.9	23.4	23.2	28.2	24.8	23.0
1945 :	32.8	46.0	28.0	32.2	46.2	33.3	34.4	50.3	41.2	48.0	---	45.4
1946 :	---	39.9	35.3	32.0	46.8	42.9	42.0	55.3	53.3	48.0	---	49.1
1947 :	24.0	32.7	41.2	31.1	---	39.8	40.6	51.4	46.0	59.0	62.2	47.4
1948 :	31.4	38.2	42.3	34.8	50.0	40.2	37.6	54.1	47.1	58.8	41.3	50.3
1949 :	34.9	43.1	47.1	31.5	40.0	42.6	40.4	50.4	50.1	53.1	49.0	52.2
1950 :	36.7	40.5	44.8	32.6	44.9	43.7	39.6	54.7	49.5	48.6	65.9	56.3
1951 :	---	43.1	42.1	39.2	44.2	49.5	45.1	59.2	55.9	68.8	66.1	66.3
1952 :	58.5	48.3	55.1	33.7	58.1	51.5	49.3	58.5	61.0	75.3	68.7	63.5
1953 :	49.7	48.5	57.6	34.2	68.4	55.0	51.6	62.6	59.1	65.9	73.2	63.2
1954 3/ :	46.6	44.5	60.1	36.3	40.1	50.6	51.5	62.1	61.7	74.6	67.8	62.1
1955 4/ :	47.9	48.3	59.9	37.2	58.6	52.2	50.3	59.0	53.3	63.9	55.9	60.2

1/ Prior to World War II, includes some type 24 which became negligible thereafter. 2/ West Germany after World War II. 3/ Preliminary. 4/ October 1955-April 1956.

Computed from the declared values and export weights as reported in the publications of the United States Department of Commerce.

Table 9.--Black Fat and dark air-cured tobacco: Value per pound of the exports to selected major countries and to all countries, marketing years, for specified periods

Year beginning: October 1:	Black Fat 1/				Green River, type 36		One Sucker, type 35
	Gold Coast	Nigeria	French Africa	All countries	United Kingdom	All countries	All countries
	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Average:							
1934-38:	21.3	22.9	15.5	18.3	25.6	20.8	9.3
1945 :	55.4	56.8	42.2	49.1	39.3	33.1	29.2
1946 :	53.9	56.6	43.9	50.8	37.7	38.6	32.0
1947 :	57.3	59.3	42.5	54.7	41.0	36.8	31.2
1948 :	62.4	62.1	40.4	54.9	36.8	32.1	37.6
1949 :	63.6	66.2	47.4	60.9	41.6	40.0	54.0
1950 :	67.0	67.6	42.2	58.9	40.9	30.4	46.3
1951 :	77.2	74.9	44.3	66.2	46.0	49.2	68.6
1952 :	84.8	81.4	51.8	76.9	37.5	37.7	69.6
1953 :	84.6	80.3	53.2	77.0	51.1	44.1	46.4
1954 2/ :	85.7	81.7	54.4	74.8	45.5	36.0	24.4
1955 3/ :	86.9	83.4	57.0	79.8	55.9	41.9	4/

1/ Also Dark African and Water Baler. 2/ Preliminary. 3/ October 1955-April 1956. 4/ Quantity shipped negligible.

Computed from the declared values and export weights as reported in the publications of the United States Department of Commerce.

United States tobacco has long held a high place with many foreign customers because of quality characteristics such as aroma and flavor. The level of exports from this country in the year ahead will depend in part on the availability of the desired grades and their prices. United States tobacco growers are confronted with greatly stepped up production in many foreign producing areas and also the hampering influence of various trade restrictions imposed by some importing countries. In April, the United Kingdom and in May, Ireland, raised their already high import duties on tobacco, which were immediately reflected in higher retail prices for tobacco products in those countries.

Foreign countries producing and exporting substantial quantities of flue-cured tobacco are the Central African Federation (Southern and Northern Rhodesia and Nyasaland), Canada, and India. The 1955-56 crop of flue-cured in the Central African Federation is now believed to be near 166 million pounds--somewhat lower than the earlier estimate--but still about one-fourth above last season's sales and the largest on record. Marketings began on March 13 but were suspended from April 10 to April 20 because of grower dissatisfaction with prices for middle quality grades. About 24 million pounds had been sold this season by early May at an average price equivalent to 37.6 United States cents per pound. This is 24 percent below the price average for the comparable period, a year earlier. The lower quality of the offerings than a year ago is believed mainly responsible for the drop in price. Better quality grades are expected to increase in volume as the marketings progress. During 1955 the five ranking outlets for Rhodesia and Nyasaland tobacco exports were United Kingdom, Union of South Africa, Australia, Netherlands, and Western Germany--accounting for about four-fifths of the 124 million pound total. Over 106 million pounds was flue-cured and the remaining nearly 18 million was mostly fire-cured tobacco.

Canada will have a sizable increase in flue-cured acreage this year after cutting back sharply from 1954 to 1955. Last year's crop of 122 million pounds was about 29 percent below 1954 because of a cut back in acreage and adverse weather. The 1956 acreage in Ontario--the principal producing area--is expected to be 113,000 acres--more than one-fourth greater than in 1955 but some short of the record 1954 acreage. During 1955 Canadian tobacco exports (predominantly flue-cured) were a record 48 million pounds, mostly from the large 1954 crop. The three leading outlets were the United Kingdom, Australia, and British Caribbean area, accounting for over nine-tenths of the total.

For India the 1955-56 crop of flue-cured may be roughly 5 percent above the 119 million pounds produced a year earlier. The five principal export outlets for Indian tobacco during April 1955-January 1956 were the United Kingdom, China, Indonesia, Japan, and Aden--accounting for 84 percent of the total.

Turkey and Greece are large producers and exporters of oriental type tobacco. The 1955 crop in Turkey, estimated at 258 million pounds, was 16 percent above a year earlier and the second highest on record. The five

ranking export outlets for Turkish tobacco in 1955 were United States, Western Germany, Poland, Eastern Germany, and United Kingdom--accounting for two-thirds of the total 132 million pounds exported. The 1955 tobacco crop in Greece was a record high and amounted to 207 million pounds--39 percent more than in 1954. The five ranking export outlets for Greek tobacco exports in 1955 were Western Germany, United States, France, Italy, and Austria--accounting for three-fourths of the total 121 million pounds exported.

British Tobacco Situation

United Kingdom is the world's leading importer of tobacco and usually, by a considerable margin, the top ranking export outlet for tobacco grown in this country. Flue-cured tobacco is the main kind of tobacco imported by the United Kingdom--usually accounting for about nine-tenths of all tobacco imported.

The already high import duties levied by the British Government on tobacco were increased on April 18. The main tobacco duty prior to the recent increase was equivalent to about \$8.13 per pound. The recent increase amounted to about 42 cents, bringing the present rate to about \$8.55--a rise of 5 percent. The increase affected tobacco from Commonwealth sources as well as tobacco from non-Commonwealth sources and leaves the margin of preference enjoyed by Commonwealth suppliers the same as before. The new main duty rate on tobacco from Commonwealth sources is equivalent to about \$8.34 per pound of tobacco. The British Government expects to collect about 75 million dollars more a year as the result of the duty increase on tobacco.

Retail prices of cigarettes in Britain have been increased to reflect the duty increase. For example, popular brands of cigarettes previously selling for the equivalent of about 51 cents per pack of 20 had their prices raised to about $53\frac{1}{2}$ cents per pack.

Gross clearances from bond in the United Kingdom are an approximate measure of home use and exports combined. In the 9 months ending March 31, 1956, gross clearances totaled 227 million pounds--4.6 percent more than in the corresponding period of 1954-55. More detailed data available for July 1955-February 1956, compared with the same period of a year earlier, indicate that gross clearances of flue-cured tobacco originating from the four major suppliers increased as follows: United States, 5.3 percent, Southern Rhodesia, 7.8 percent; India, 11.5 percent; and Canada, 8.8 percent. Gross clearances of other tobacco on a combined basis declined 7 percent.

During the 9 months ending with March 31, 1956, British home consumption of tobacco was running 4 percent ahead of a year earlier and 7 percent above 2 years earlier.

Table 10.--United Kingdom tobacco: Imports, stocks, clearances, and exports for specified periods

Period:	Imports <u>1/</u>			Gross clearances				
				from bond <u>3/</u>				
	From	Com-	Stocks	Non-	Prefer-	Prefer-	Exports	Re-exports
	U. S.:	wealth:	Dec. 31	prefer-	ential	ential	of manu-	of unmanu-
	<u>2/</u>	<u>2/</u>	Total:	ential	<u>2/</u>	<u>2/</u>	factured	factured
	tries	tries					tobacco	tobacco
	<u>2/</u>	<u>2/</u>						
	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.
	lb.	lb.	lb.	lb.	lb.	lb.	lb.	lb.
Average:								
1934-38:	213	57	275	497	185	47	232	39
1939-45:	182	63	255	310	215	62	277	27
1946 :	366	62	433	383	261	61	322	55
1947 :	201	82	296	384	235	57	292	52
1948 :	172	97	281	390	204	67	271	45
1949 :	154	119	302	419	190	81	271	47
1950 :	144	146	306	445	180	91	271	43
1951 :	212	131	355	498	183	104	287	51
1952 :	67	143	224	430	172	108	280	47
1953 :	174	127	316	452	167	116	283	45
1954 :	160	139	312	468	168	122	290	41
1955 <u>4/</u> :	179	149	344	506	173	125	298	44
July- :								
April :								
1953-54:	126	117	256	5/431	6/123	6/89	6/212	36
1954-55:	150	135	296	5/446	6/127	6/90	6/217	36
1955-56:	199	102	313	5/487	6/131	6/96	6/227	36

1/ Unmanufactured tobacco.

2/ Since 1946 the full duty rate on tobacco from the United States and other nonpreferential areas has been about 3 percent above the preferential rate on tobacco from Commonwealth areas. In the prewar period, the full duty rate was over 25 percent above the preferential rate.

3/ Largely withdrawals for manufactures for home use and export.

4/ Subject to revision.

5/ March 31.

6/ July-March.

Compiled from the Annual Statement of Trade and Accounts Relating to Trade and Navigation of the United Kingdom.

Britain exports a substantial volume of manufactured tobacco--predominantly cigarettes. In the 10 months ending April 30, British exports of tobacco at 36 1/4 million pounds were slightly above those in the corresponding periods of 1954-55 and 1953-54.

During July 1955-April 1956, the United Kingdom imported 313 million pounds of tobacco--6 percent more than in the same months of a year earlier. Tobacco imports from the United States were one-third larger and accounted for nearly 64 percent of the total. Tobacco acquired under the United States Public Law 480 program to build up stocks to a more adequate level contributed to the increase in the more recent period. In the 10 months ending April 30, 1956, imports of tobacco from Rhodesia and Nyasaland were 20 percent and from Canada 45 percent below the unusually heavy amounts during the same months of a year earlier, while imports from India about equaled those in the same period of 1954-55.

Stocks of leaf tobacco in the United Kingdom on March 31, 1956, totaled 487 million pounds--9 percent above a year earlier and the highest for this date since World War II. More detailed data available for stocks as of the end of February 1956 indicated stocks of United States flue-cured to be 259 million pounds--27 to 30 percent more than on the same date in 1955 and 1954. The end-of-February stocks of flue-cured from Southern Rhodesia, India, and Nyasaland were 89 1/2, 53, and 46 million pounds, respectively--totaling 188 1/2 million pounds. Stocks of Rhodesian flue-cured were nearly the same as a year earlier but almost 7 percent above 2 years earlier. Stocks of Indian flue-cured were about 2 percent above each of the two previous years while stocks of Canadian flue-cured were 18 percent higher than a year earlier and 24 percent above 2 years earlier. British stocks of Nyasaland fire-, air-, and sun-cured at 19 million pounds on February 29, 1956, were 14 to 16 percent lower than on the same date in 1955 and 1954. Also, stocks of Indian air- and sun-cured at 10 1/2 million pounds were down 6 percent from a year earlier but stocks of Oriental tobacco (from Turkey and Greece) at 8 1/3 million pounds were unchanged from a year earlier.

TARIFF REDUCTIONS NEGOTIATED

Early this year in Geneva, Switzerland, the United States participated with 21 other countries in negotiations on tariffs and trade. Tariff concessions were made to the United States on items imported from the United States that in 1954 had a trade value of \$400 million. About one-fourth of this represented agricultural imports from this country.

One of the concessions made by the United States was a tariff reduction on the unstemmed, cigarette leaf tobacco that comes mainly from Turkey and Greece. (See table 11.) Under the Geneva 1956 agreement, the present United States import duty of 15 cents per pound will be reduced in three stages to 12 3/4 cents per pound. The law requires the reductions to be

Table 11.--United States imports for consumption of unmanufactured tobacco, from principal supplying countries, for specified periods

(Declared weight)

Classification and country of origin	January-April						
	Average	1953	1954	1955	1955	1956	1956
	1948-52		1/	1/	1/	1/	as per- centage of 1955
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Pct.
Cigarette leaf							
Unstemmed:							
Turkey	44.0	56.9	56.0	57.7	17.9	20.9	117
Greece	9.5	14.3	15.6	17.9	5.6	6.1	109
Syria	4.0	3.3	2.9	2.4	.8	.6	75
Italy	.6	1.2	1.9	1.5	.8	.5	62
Malta	.1	.3	.2	.3	.1	.2	200
Yugoslavia	.2	1.4	2.3	1.5	1.1	.7	64
Total 2/	70.6	78.0	79.3	83.7	26.4	29.0	110
Cigar leaf (filler)							
Cuba:							
Stemmed	10.9	9.7	9.1	8.8	3.0	3.3	110
Unstemmed	4.0	4.4	4.7	5.0	2.0	1.1	55
Philippines, Rep.:							
Stemmed	.5	.6	3/	0	0	3/	---
Unstemmed	.2	3/	0	0	0	.5	---
Total 2/	15.6	14.8	13.9	13.9	5.0	5.0	100
Scrap:							
Cuba	5.6	8.9	9.7	9.4	3.1	3.6	116
Philippines, Rep.	.4	2.3	1.4	2.5	.4	1.2	300
Total 2/	6.0	11.2	11.1	11.8	3.5	4.8	137
Cigar wrapper (unst.):							
Indonesia	.7	.4	.4	.3	.1	.1	100
Cuba	.3	.4	.5	.5	.2	.2	100
Total 2/	1.1	.9	.9	.8	.3	.3	100
Stems 4/	.7	.5	1.2	1.1	.4	.4	100
Total imports	94.0	105.4	106.4	111.3	35.6	39.5	111

1/ Preliminary. 2/ Includes relatively small quantities from other countries not separately listed. 3/ Less than 50,000 pounds. 4/ Not cut, ground, or pulverized.

Compiled from publications and records of the Bureau of the Census.

applied in three yearly stages with not more than 5 percent reduction per year. On June 30, 1956, the import duty on unstemmed, cigarette tobacco will be reduced to 14 cents; then by mid-1957, to 13 1/2 cents; and by mid-1958, to 12 3/4 cents.

Also, in three yearly stages, import duties on cigars will be reduced from the present \$2.25 per pound + 12 1/2% to \$1.91 per pound + 10 1/2% (Cuban cigars--\$1.50 per pound + 10% down to \$1.27 per pound + 8 1/2%). Cigar imports (for consumption) by this country in 1955 totaled 20.3 million, of which 14.7 million came from Cuba. (See table 3.)

Another concession in three yearly stages is the reduction of the import duty on cigarettes from \$1.25 per pound + 6 1/4% to \$1.06 per pound + 5%. Cigarette imports (for consumption) by this country in 1955 totaled 2.7 million, of which 2.1 million came from the United Kingdom.

RECENT LEGISLATION AFFECTING TOBACCO

Soil Bank Program

The Agricultural Act of 1956 (Public Law 540, 84th Congress, approved May 28, 1956) provides for a "soil bank" program. An acreage reserve program for tobacco is to be put into effect on the 1956, 1957, 1958, and 1959 crops of flue-cured, burley, Maryland, dark air-cured, fire-cured, Virginia sun-cured, cigar binder types 51, 52, 54, and 55, and Ohio cigar filler types 42, 43, and 44. Under this program, payments will be made to producers who voluntarily contract to reduce their acreage below their allotments and who do not harvest any crop from or graze the withdrawn acreage ("reserve acreage") except under specified emergency conditions. The total compensation paid to tobacco producers, who participate in the program is limited to a maximum by the law for any year's crops.

On June 8, the Department of Agriculture released some information on the 1956 acreage reserve program for tobacco and general eligibility and participation requirements. The maximum acreage of tobacco that may be placed in the acreage reserve is the larger of (a) half the allotment, or (b) 5 acres, except that where the allotment is less than 5 acres, the maximum shall be the allotment. The minimum tobacco acreage that may be placed in the acreage reserve is the larger of (a) 10 percent of the allotment, or (b) 1 acre (one-half acre in the case of burley), except that where the allotment is less than 1 acre (one-half acre in the case of burley), the minimum shall be the allotment.

National average rates per pound varying by types or groups of types will be used in determining payments to tobacco producers participating in the 1956-crop acreage reserve program. Per acre payments to growers will be determined by multiplying a rate per pound by the yield established for the

farm by the county committee. The maximum payment per acre may not exceed 115 percent of a specified national yield for the type, multiplied by the appropriate rate per pound. The national average rates of payment for the 1956 crops of the various types of tobacco are as follows:

	<u>Rate</u> <u>(Cents per pound)</u>
Flue-cured, types 11-14	18
Burley, type 31	18
Maryland, type 32	17
Fire-cured, types 21-24	13
Dark air-cured, types 35-36	12
Virginia sun-cured, type 37	12
Cigar filler, types 42-44	9
Cigar binder, type 51	19
Cigar binder, type 52	18
Cigar binder, type 54	8
Cigar binder, type 55	11

Time Extended For Proclaiming Marketing Quotas

The Congress has passed and sent to the President a bill changing the marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended. This amendment extends the final date for announcing the national marketing quota for each kind of tobacco, except flue-cured, from November 30 to February 1 in any marketing year. The purpose of the change is to enable the use of more accurate estimates of the size of current crops, particularly burley, in computing tobacco marketing quotas under the formula prescribed in the Act.

OUTLOOK AND SITUATION FOR TOBACCO LEAF

Flue-Cured, Types 11-14

1956-57 Supplies

This year's flue-cured acreage for harvest will be the smallest since 1943. Acreage allotments were reduced and acreage intended as of March 1 was 11 percent lower than last year. If yields per acre should equal the recent 3-year average (adjusted for the low yield of type 11 in 1953 and of types 13 and 14 in 1954), this year's flue-cured crop would be about 1,215 million pounds. If 1956 yields should average as high as last year's record, the 1956 crop will be nearly 1,320 million pounds. Thus, it appears likely that the 1956 production will range between 11 and 18 percent below last year's record-breaking outturn. (These estimates do not take into account any effects of the soil bank program since it was announced after most of the flue-cured had been planted.)

(Farm-sales weight)

1951	1,453	1,557	3,011	1,279	777	502	52.4
1952	1,365	1,731	3,096	1,244	828	416	50.3
1953	1,272	1,852	3,124	1,209	778	431	52.8
1954	1,314	1,915	3,229	1,173	744	429	52.7
1955 2/	1,483	2,056	3,539				52.7

	Parity price <u>3/</u>	Price support level	Quantity	Placed under Government loan: Percentage of crop	Remaining in Government loan stocks on May 31, 1956 <u>4/</u>
	<u>Ct.</u>	<u>Ct.</u>	<u>Mil. lb.</u>	<u>Pct.</u>	<u>Mil. lb.</u>
1946	35.7	32.1	66.5	4.9	0
1947	44.4	40.0	232.3	17.6	0
1948	48.8	43.9	106.1	9.7	0
1949	47.2	42.5	103.5	9.3	0
1950	50.0	45.0	77.6	6.2	0
1951	56.3	50.7	142.2	9.8	0
1952	56.2	50.6	5/165.0	12.1	39.2
1953	53.2	47.9	151.4	11.9	58.7
1954	53.2	47.9	130.3	9.9	79.4
1955	53.7	48.3	298.1	20.1	279.3
1956	53.6	<u>6/48.2</u>			
Total	---	---	1,473.0	---	456.6

1/ Year beginning July 1. 2/ Subject to revision. 3/ As of applicable date when support level was computed. 4/ Actual loan stocks on a packed-weight basis average about 11 percent less than these farm-sales weight figures. 5/ An additional 78.4 million pounds under option to British manufacturers were pledged for CCC loans, but were purchased and shipped by mid-1953. 6/ Minimum--subject to upward revision if parity price is higher as of July 1.

Carryover of flue-cured on July 1, 1956, is expected to be about 2,255 million pounds--10 percent larger than a year earlier and a record. The rise reflects last year's record production, which was well above disappearance. The prospective total supply for 1956-57 will probably range between 3,470 and 3,575 million pounds--varying only about 2 percent from the 1955-56 supply of 3,539 million pounds. The 1955-56 supply was 2.75 times the estimated 1955-56 disappearance, which was one of the largest due to heavy exports. In the 5 years prior to 1955-56 the ratio of supply to disappearance averaged 2.50.

Domestic Use and Exports

During the marketing year just ending (July 1955-June 1956), the domestic use of flue-cured is estimated at near 750 million pounds--very little different from the 1954-55 figure. The number of manufactured cigarettes--the main domestic outlet--rose about 2 percent from 1954-55 to 1955-56 but indications are that there was not a matching increase in domestic use of flue-cured. This may be partly accounted for by the larger proportion of filter tip cigarettes made in 1955-56 than in 1954-55 and also the use of "processed tobacco" with the blended tobaccos in a few major brands of cigarettes. The "processed tobacco" is made from fibrous portions of the leaf in combination with small pieces of leaf that ordinarily could not be used in cigarettes. If tobacco, which previously could not be utilized in cigarettes, can now be utilized, the number of cigarettes made from tobacco on a farm-sales-weight basis would be greater than formerly.

Exports of flue-cured during July 1955-June 1956 are estimated at 535 million pounds (farm-sales weight)--about one-fourth larger than in 1954-55 and the largest on record except for 1946-47. During the first 10 months of the 1955-56 marketing year, exports of flue-cured to the United Kingdom (accounting for 45 percent of the total) were 36 percent above the corresponding period of a year earlier. The 10 months' exports of flue-cured to Germany (second ranking outlet--accounting for 10 percent of the total) were 12 percent above that shipped during the entire 1954-55 marketing year. However, 1954-55 was a relatively low year for flue-cured exports to Germany. The next 6 ranking outlets were Australia, Netherlands, Belgium, Philippines, Japan, and Ireland in that order. The July 1955-April 1956 takings of Australia, Belgium, and Japan increased 12,45, and 71 percent, respectively. However, exports to Netherlands, the Philippines, and Ireland declined 5,15, and 18 percent, respectively.

Among other important destinations, Indonesia, Thailand, Finland, Indochina, and Spain got much more in July 1955-April 1956 than a year earlier and also more went to Denmark, Egypt, Norway, Portugal, Switzerland, Taiwan, and Pakistan. However, smaller shipments of flue-cured went to Sweden, New Zealand, India, France, and Austria. In April 1956, a comparatively large quantity of flue-cured went to the Republic of Korea--a country not heretofore an export outlet. This was under the Public Law 480 program.

Prices

Growers received an overall average of 52.7 cents per pound for the 1955 crop--practically identical to the average for each of the prior two crops. However, year-to-year comparisons for individual belts show considerable variation. The Old Belt (type 11) prices in the last two seasons averaged well above those in the 1953 season when poor quality was a major factor. The Eastern Belt (type 12) prices declined some from 1954 to 1955 and averaged 8 1/2 percent lower than the record high for 1953. The Border Belt (type 13) prices in 1955 averaged 6 percent above 1954 but not as high as the record 1953 average. The Georgia-Florida Belt (type 14) prices have averaged about the same in 1955 and 1954--both years being about 9 percent below the record average in 1953. Comparing 1955 grade prices with 1954 grade prices, in general, there were increases in the medium-to lower-priced grades and some declines in higher-priced grades. In the 1955 crop, there was a substantial volume of tobacco that was deemed "pale and slick" and lacking some of the characteristics most desired.

On April 18, the Department of Agriculture announced 48.2 cents per pound as the minimum level at which the 1956 flue-cured crop would be supported. Last season's support level was 48.3 cents. The actual level of 1956 price support will be 48.2 cents or 90 percent of the July 1 parity price, whichever is higher. Since the minimum support was calculated, the parity price for flue-cured has risen, and 90 percent of the May parity was 48.9 cents per pound--seven-tenths of a cent higher than the minimum level.

Beginning with the 1956 marketing season, appropriate sub-grade designations for "pale and slick" tobacco have been established. The Department has announced that the loan rates for "pale and slick" tobacco will be discounted.

Burley, Type 31

1956-57 Supplies

This year's burley acreage allotments total nearly the same as in 1955 when 310,400 acres were harvested. If this year's yields per acre should equal 1,550 pounds--the average for the last 2 years--, the 1956 crop will approximate 480 million pounds compared with 470 million in 1955 and the record 667 million in 1954. (The 1956 crop estimate does not take into account the effects of the soil bank program since it was announced after most burley was planted.) Following the big 1954 crop, the burley acreage allotment was cut about one-fourth below that of 1954.

The carryover on October 1, 1956, the beginning of the 1956-57 marketing year, is expected to be around 1,295 million pounds--down 4 percent from a year earlier, but still above any previous carryover. If the 1956 crop should turn out about 480 million pounds, the 1956-57 total supply

probably will approximate 1,775 million pounds--2 percent lower than for 1955-56 and 5 percent below the peak 1954-55 figure. The 1954-55 burley supply was 3.6 times the 1954-55 disappearance. The 1956-57 prospective supply may be about 3.3 times prospective disappearance while in the 1947-51 period, the ratio of supply to disappearance averaged just over 2.8.

Domestic Use and Exports

During the year ending September 30, 1956, domestic use of burley seems likely to be about 490 million pounds--up slightly from 1954-55. Cigarette manufacture is the main outlet. Pipe and chewing tobacco also absorb some burley. While the number of cigarettes manufactured has increased above a year ago, indications are that there has not been a matching increase in the use of farm-sales-weight leaf. Presumably, a larger number of cigarettes is being made from a given quantity of farm-sales-weight tobacco than 2 or 3 years ago. (See discussion of flue-cured tobacco on page 26.) Output of smoking and chewing tobacco is running below 1954-55 so that probably a little less burley will be used in these products in the current marketing year.

Exports of burley in 1955-56 will probably fall short of the 1954-55 total of 33 million pounds (farm-sales weight). During the first 7 months of the current marketing year, burley exports were running about 2 1/2 million pounds below those for the same period of a year earlier. The 1955 crop contained only a small proportion of the grades of burley that generally move to export outlets. These grades are reportedly unavailable or high priced. Germany, the top ranking burley destination, got 35 percent more in October 1955-April 1956 than in the same months of 1954-55 but Portugal, often the second ranking outlet, got 71 percent less. Belgium and Netherlands, the third and fourth ranking export outlets in 1954-55, got 10 and 2 1/2 percent less, respectively. However, burley exports to Sweden, ranking fifth in 1954-55, were 41 percent larger in October 1955-April 1956 than in the entire 1954-55 marketing year. Also, the burley exports to Mexico, Norway, Finland, Switzerland, and Egypt during the first 7 months of the current marketing year showed substantial relative increases over those for the same period of a year earlier, but sharp declines occurred in burley exports to France, Denmark, Australia, the Philippines, and Hong Kong. None was reported as going to Austria or the United Kingdom in the 7 months ending with April in contrast with fair-sized quantities of a year earlier.

Prices

Growers received an average of 58.6 cents per pound for the small 1955 crop--almost 9 cents a pound more than for the huge 1954 crop. The average price for the 1955 crop exceeded that for any other crop on record. The high average price reflected the generally top quality of the tobacco and the substantial increases in the prices for many middle and lower grades in the leaf and tip groups. Also, while the traditionally best and highest-

Table 13.--Burley tobacco, type 31: Domestic supplies, disappearance, season average price, and price support operations for specified periods
(Farm-sales weight)

[illegible]

1/ Year beginning October 1. 2/ Subject to revision. 3/ As of applicable date when support level was computed. 4/ Actual loan stocks on a packed-weight basis average about 11 percent less than these farm-sales weight figures. 5/ Minimum--subject to upward revision if parity price is higher as of October 1.

priced grades declined slightly in price, the price supports held average prices for these grades near those of a year earlier. The predominant share of the burley placed under Government loan was the higher-priced grades. The overall level of price support for the 1955 crop of burley was 46.2 cents per pound.

On April 18, the Department of Agriculture announced 47.2 cents per pound as the minimum level at which the 1956 burley crop would be supported. The actual level of the 1956 price support will be 47.2 cents or 90 percent of the October 1 parity price, whichever is higher. Since the minimum support was calculated, the parity price for burley has risen. Ninety percent of the May parity was 47.9 cents per pound.

Maryland, Type 32 2/

1956-57 Supplies

This year, acreage allotments are in effect on Maryland tobacco for the first time since 1953. If growers plant about 90 percent of the allotted acreage (in 1953, it was about 85 percent), this year's acreage would be only a little lower than the 49,000 grown last year. If yields per acre should equal the recent 5-year average (adjusted for the low 1955 figure), this year's crop probably will be near 40 million pounds--10 to 15 percent larger than last year when storms reduced the outturn substantially. (The effect of the soil bank program may mean some reduction in this estimate.)

A 40 million pound crop plus a carryover next January 1 that probably will be near 75 million pounds will provide a total supply of 115 million pounds--approximately 2 or 3 million larger than the total supply this year or last.

Prior to 1956, a marketing quota for Maryland tobacco was in effect for only one other crop--1953. In the referendum last December, Maryland growers voted in favor of marketing quotas on their 1956, 1957, and 1958 crops.

Domestic Use and Exports

Domestic use of Maryland tobacco during October 1955-September 1956 is estimated at around 28 million pounds--practically the same as in 1954-55. On the other hand, exports of Maryland tobacco in 1955-56 seem likely to be the largest for many years and may reach 10 or 11 million pounds (farm-sales weight).. Last year 8.2 million pounds were shipped and the postwar high was 9.3 million pounds in 1948-49.

2/ For marketing quota purposes, the carryover and total supply of Maryland tobacco are calculated as of January 1 falling within the marketing year--the 12-month period, October 1 through September 30. Disappearances are calculated on the October-September basis.

Table 14.--Maryland tobacco, type 32: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)

[illegible]

1/ For marketing quota purposes, the carryover and total supply of Maryland tobacco are calculated as of January 1 falling within the marketing year--October 1 through September 30. 2/ Year beginning October 1. 3/ Subject to revision. 4/ As of applicable date when support level was computed or October 1. 5/ Actual loan stocks on a packed-weight basis average about 2 percent less than these farm-sales weight figures. 6/ No support since marketing quota was not approved by two-thirds of growers voting. 7/ Minimum--subject to upward revision if parity price is higher.

During October 1955-April 1956, exports of Maryland tobacco ran nearly 50 percent ahead of those in the same months of a year earlier. Switzerland, accounting for over three-fifths of the total, took 28 percent more and Germany, the second ranking outlet, took more than 4 times as much as in the same period of 1954-55. German takings in the 7 months' period exceeded the total for any year since 1928-29. Also, Austria took a significant quantity this marketing year in contrast to negligible amounts or none in previous years. A sizable shipment went to Morocco in contrast to none a year earlier. The October 1955-April 1956 exports of Maryland tobacco to Netherlands were moderately larger but to Spain, Belgium, and Tunisia, were lower than in the same period of a year earlier.

Prices

Auction markets for the 1955 Maryland crop began on May 1 and for sales through June 15, averaged 53.7 cents per pound--22 percent higher than in the comparable period of last season. Prices for practically all grades exceeded those of a year earlier with the sharpest percentage increases being in the lower and middle grades.

The auction market volume through mid-June totaled 14.3 million pounds. In addition, receipts at the Baltimore hogshead market were 1.1 million pounds. The combined total of 15.4 million pounds represents roughly 43 percent of the 1955 crop marketed by mid-June.

The 1955 crop is not receiving Government price support since a marketing quota was not in effect.

On April 18, the Department of Agriculture announced 46.2 cents per pound as the minimum level at which the 1956 Maryland tobacco crop would be supported. The actual level of 1956 crop price support will be 46.2 or 90 percent of the October 1 parity price, whichever is higher. Since the minimum support was calculated, the parity price for Maryland tobacco has risen and 90 percent of the May parity was 46.9 cents per pound.

Fire-Cured, Types 21-23

1956-57 Supplies

This year's fire-cured tobacco acreage allotments total almost as much as in 1955 when harvested acreage was 48,200. If the 1956 yields per acre should be near the 1951-55 average (adjusted for the low 1953 and 1954 yields), this year's crop may approximate 61 million pounds--6 percent less than in 1955. (The 1956 crop estimate does not take into account the effects of the soil bank program since it was announced after most fire-cured was planted.) In 1955 average yields per acre of fire-cured tobacco in Kentucky and Tennessee were above those for any previous year and in Virginia, were the highest in 3 years and the fourth highest on record.

The carryover on October 1 (beginning of the 1956-57 marketing year) is estimated at about 138 million pounds--around 1 percent larger than last October 1. The new crop, plus this carryover, will provide a total supply for 1956-57 of nearly 200 million pounds--roughly 2 to 3 million less than for 1955-56 although above both 1954-55 and 1953-54.

Domestic Use and Exports

During the October 1955-September 1956 marketing year, domestic use of fire-cured tobacco may total 32 million pounds--about 2 million more than in 1954-55. Last year's domestic use ran a little lower than might have been expected considering the stability of snuff output--the main domestic outlet for fire-cured tobacco.

The 1955-56 marketing year exports also seem likely to be around 32 million pounds (farm-sales weight)--up 3 million from 1954-55 and the most in 5 years. The 1950 and prior crop fire-cured tobacco remaining under government loan is being offered for sale, for export only, on a bid basis. This is expected to assist exports of fire-cured tobacco during the next several months. This tobacco is in grower association stocks pledged as collateral for loans from the Commodity Credit Corporation. The exports of Kentucky-Tennessee fire-cured during October 1955-April 1956 were 13 percent larger than in the corresponding period of a year earlier. Netherlands, the leading outlet in recent months, took less, but there were very large increases to Switzerland and Sweden. Takings by France, the first ranking outlet in the previous 2 years, fell sharply but larger amounts were shipped to Belgium, Denmark, Germany, and Indonesia. Also in contrast to none or very little last year, substantial shipments of Kentucky-Tennessee fire-cured went to Canary Islands and French Indochina. Shipments to the United Kingdom dropped sharply and none or comparatively little had yet been reported as going to Belgium Congo, Gold Coast, or French West Africa.

Exports of Virginia fire-cured during October 1955-April 1956 were 57 percent larger than in the corresponding period of a year earlier. Norway, the leading outlet, took 9 percent more than a year earlier. Sweden, ranking second, greatly stepped up her takings and also considerably more than a year earlier went to Netherlands and the United Kingdom. There were increased shipments to Switzerland, Australia, Germany, and Austria, but practically the same to New Zealand.

Prices

The 1955 season average price for all fire-cured combined was 37.3 cents per pound--one-half cent below the preceding year. The price averages for types 22 and 23 (Kentucky-Tennessee) at 40.5 and 32.4 cents per pound were close to those for the 1954 season.

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1/ Type 24 included until early 1950's when it became practically nonexistent.
2/ Year beginning October 1. 3/ Subject to revision. 4/ As of applicable date when support level was computed. 5/ Not based on parity but set by law at 75 percent of the burley support. 6/ Actual loan stocks on a packed-weight basis average about 6 percent less than these farm-sales weight figures. 7/ Minimum--subject to upward revision if burley support level increases as of October 1.

For type 21 (Virginia), the season average at 31.3 cents per pound was 9 percent lower than last season. The Virginia crop suffered considerable damage from rains and wind late in the growing season and there was much less tobacco than usual in the fair to better grades.

The level of Government price support for 1955 fire-cured tobacco was 34.6 cents per pound. The support level for fire-cured tobacco is calculated at 75 percent of the burley support level. On April 18, the Department of Agriculture announced 35.4 cents per pound as the minimum level at which the 1956 fire-cured tobacco crop would be supported. If burley parity and consequently, its price support level is higher as of October 1, 1956, than when the fire-cured minimum was calculated, the actual support for the 1956 crop will increase proportionately. However, if the burley parity should decline, the announced minimum becomes the actual support for the 1956 fire-cured tobacco crop.

Dark Air-Cured and Sun-Cured, Types 35-37

1956-57 Supplies

This year's dark air- and sun-cured acreage allotments total practically the same as last year. The 1956 acreage of dark air-cured in Kentucky-Tennessee (types 35-36) seems likely to be near the 20,000 acres harvested last year and the Virginia sun-cured (type 37) acreage for harvest may be 4,300--also fairly close to last year. If 1956 yields per acre are near the recent 5-year averages (adjusted for the low yields for all types in 1953 and for type 37 in 1955), this year's production of types 35-37 will approximate 30 or 31 million pounds--very little different from 1955. (The 1956 crop estimate does not take into account the effects of the soil bank program since it was announced after these types had been largely planted.) Last year's yields per acre of type 35 averaged above any previous year's and of type 36, were the second highest on record. On the other hand, type 37 yields were the lowest in over 20 years.

The carryover of types 35-37 on October 1 (beginning of the 1956-57 marketing year) is estimated at about 86 million pounds--roughly a 5 million pound increase from last October 1 and the highest level since 1927-28. The new crop plus this carryover may provide a total supply for 1956-57 near 117 million pounds--4 to 5 million above 1955-56 and the largest since 1932-33.

Domestic Use and Exports

In the year ending September 30, domestic use of dark air- and sun-cured tobacco seems likely to be about 18 or 19 million pounds--perhaps down a little from last year's record low. Chewing tobacco products are the principal outlets for these types.

Table 16.--Dark air-cured and sun-cured tobacco, types 35-37: Domestic supplies, disappearance, season average price, and price support operations for specified periods

[illegible]

1/ Year beginning October 1. 2/ Subject to revision. 3/ As of applicable date when support level was computed. 4/ Not based on parity but set by law at 66 2/3 percent of the burley support. 5/ Actual loan stocks on a packed-weight basis average about 8 percent less than these farm-sales weight figures. 6/ An additional 200,000 pounds under option to British manufacturers were pledged for CCC loans but were purchased and shipped by mid-1953. 7/ Minimum--Subject to upward revision if Burley support level increases as of October 1.

The 1955-56 exports of these types are expected to be around 7 million pounds (farm-sales weight)--somewhat lower than the 10 million for 1954-55, which was a 4-year high. The 1950 and prior crop dark air-cured tobacco remaining under Government loan is being offered for sale, for export only, on a bid basis. In the next several months this should provide some stimulus to exports of these types. This tobacco is in grower association stocks pledged as collateral for loans from the Commodity Corporation. During the first 7 months of the current marketing year, exports of dark air-cured were running far below those in the same period of 1954-55. Exports of Black Fat were 30 percent below a year earlier with moderately less going to Nigeria and Gold Coast and sharply less going to French West Africa. These three are the leading outlets for Black Fat by a wide margin. Exports of Green River leaf during the first 7 months of the current marketing year were down very sharply from a year earlier. Shipments to the United Kingdom, the leading outlet, were only about one-fourth as much as a year earlier and none was yet reported as going to France, the second ranking outlet. Netherlands took a little more Green River leaf. Exports of One Sucker in the first 7 months of 1955-56 were insignificant in contrast with about 2 million pounds (farm-sales weight) in the same period of 1954-55. Usually Nigeria and Belgium and sometimes France take sizable quantities of One Sucker. Last year, a substantial shipment went to Madagascar for the first time.

Prices

The 1955 season price for dark air- and sun-cured tobacco combined was 31.1 cents per pound--9 percent lower than for the 1954 crop. Season averages for the Kentucky-Tennessee types 35 and 36 were 33.1 and 29.3 cents per pound--down 3 and 16 percent, respectively, from the previous season's near-record and record highs. The proportion of low and fair quality grades, especially for type 36, was larger than in the preceding season. The 1955 season average price of the Virginia type 37 was 25.3 cents per pound--21 percent lower than for the 1954 crop and the lowest since 1946. The 1955 type 37 crop was seriously damaged by storms and there was much low quality tobacco.

The level of Government price support for 1955 dark air- and sun-cured tobacco was 30.8 cents per pound. The support level for these types is calculated at 66 $\frac{2}{3}$ percent of the burley support level. On April 18, the Department of Agriculture announced 31.5 cents per pound as the minimum level at which the 1956 dark air- and sun-cured tobacco crop would be supported. If burley parity and, consequently, its price support level, is higher as of October 1, 1956, than when the minimum was calculated, the actual support for the 1956 crop will increase proportionately. However, if burley parity should decline, the announced minimum becomes the actual support for this year's crop of dark air- and sun-cured tobacco.

Cigar, Types 41-62

1956-57 Supplies

Filler: Pennsylvania type 41 acreage is expected to be about the same this year as last but Ohio types 42-44 acreage may be down about one-fifth. Acreage allotments are in effect on the Ohio types but not on the Pennsylvania type. If yields per acre equal the recent 5-year average, production of these types would be near 51 million pounds compared with nearly 53 million in 1955. The carryover next October 1 may approximate 132 million pounds--3 percent less than a year earlier. The 1956-57 total supply (this year's crop plus carryover) seems likely to be about 183 million pounds--roughly 6 million below the 1955-56 level.

The crop of Puerto Rican cigar filler (type 46) harvested in early 1956 is estimated by the Division of Agricultural Economics of the Commonwealth of Puerto Rico at 30 million pounds--12 percent less than the year previous and the smallest in 4 years. Stocks of Puerto Rican tobacco on April 1, 1956, totaled about 64 1/2 million pounds--nearly 10 million higher than a year earlier. A little over one-half of the stocks were located in the United States and the rest were in Puerto Rico.

Table 17.--Shipments of tobacco from Puerto Rico to the United States for specified periods

(Declared weight)								
Classification	: Average 1948-52 :		: 1953 :		: 1954 :		: 1955 :	
	: Quantity:	: Value	: Quantity:	: Value	: Quantity:	: Value	: Quantity:	: Value
	: :	: :	: :	: :	: :	: :	: :	: :
	: Mil.	: Mil.	: Mil.	: Mil.	: Mil.	: Mil.	: Mil.	: Mil.
	: lb.	: dol.	: lb.	: dol.	: lb.	: dol.	: lb.	: dol.
Stemmed	: 10.6	: 10.2	: 11.1	: 11.9	: 14.6	: 15.5	: 12.1	: 12.6
Unstemmed	: .2	: .2	: .9	: .3	: .8	: .7	: .7	: 1.5
Scrap	: 7.5	: 2.4	: .4.2	: 2.1	: 5.4	: 2.5	: 5.8	: 2.8
Total	: 18.3	: 12.8	: 16.2	: 14.3	: 20.8	: 18.7	: 18.6	: 16.9

Compiled from publications and records of the Bureau of the Census.

Binder: All binder types are being grown under allotments which were reduced from 1955 to 1956. Growers' intentions as of March 1 indicated that acreage for harvest for all binder types combined would be about one-eighth lower than in 1955. The cuts indicated were sharper in the Connecticut Valley than in Wisconsin--the two major producing areas. Substantial additional reductions probably will occur as the result of participation in the new "soil bank program." Assuming yields per acre near the recent 5-year average, this

Table 18.--Cigar tobacco, types 41-55: Domestic supplies, disappearance, and season average prices for specified periods

(Farm-sales weight)

Year	Production	Stocks, Oct. 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Filler types :							
41-44 :							
Average:							
1934-38 2/ :	48.9	159.9	208.8	54.4			10.4
1941-45 :	54.4	153.1	207.5	60.1			19.6
1946 :	57.3	128.8	186.1	63.9			32.9
1947 :	60.6	122.2	182.8	59.1			30.6
1948 :	68.3	123.7	192.0	60.1	59.4	0.7	25.8
1949 :	65.4	131.9	197.3	53.5	52.8	.7	26.2
1950 :	65.7	143.8	209.5	52.1	51.5	.6	25.2
1951 :	63.0	157.4	220.4	59.4	58.7	.7	19.6
1952 :	44.5	161.0	205.5	59.0	58.6	.4	25.2
1953 :	44.3	146.5	190.8	61.0	60.8	.2	26.2
1954 :	55.9	129.8	185.7	49.9	49.8	.1	26.7
1955 3/ :	52.9	135.8	188.7				24.1
Binder types :							
51-55 4/ :							
Average:							
1934-38 :	41.8	165.1	206.9	60.5			12.5
1941-45 :	57.8	122.4	180.2	64.4			29.3
1946 :	74.1	103.5	177.6	53.9			52.6
1947 :	69.4	123.7	193.1	67.3			43.8
1948 :	60.5	125.8	186.3	63.1	52.0	11.1	41.1
1949 :	61.7	123.2	184.9	49.8	46.4	3.4	36.0
1950 :	65.0	135.1	200.1	57.6	54.8	2.8	35.8
1951 :	49.8	142.5	192.3	57.5	54.6	2.9	38.1
1952 :	47.0	134.8	181.8	56.6	52.7	3.9	38.6
1953 :	47.4	125.2	172.6	52.8	50.7	2.1	44.7
1954 :	48.5	119.8	168.3	51.4	49.8	1.6	40.6
1955 3/ :	42.3	116.9	159.2				34.4

1/ Year beginning October 1. 2/ Includes small quantity of type 45.

3/ Subject to revision. 4/ Includes small quantity of type 56 through 1948.

year's production of the binder types may be down to 30 or 35 million pounds--around one-fourth below 1955, and the smallest since the mid-1930's. The carryover next October 1 may be about 115 million pounds--only slightly different from last October 1. The prospective 1956-57 total supply (this year's crop plus carryover) will probably range from 145 to 150 million pounds--roughly 10 to 15 million lower than for 1954-55. The prospective 1956-57 total supply is the smallest on record. The reduction reflects some adjustment in line with the reduced requirements for natural leaf binder resulting from increased use of manufactured binder sheet in the making of cigars.

Wrapper: The 1956 shade-grown cigar wrapper acreage for harvest in the Connecticut Valley and Georgia-Florida may be up 6 and 4 percent from last year. The prospective Connecticut Valley acreage is the largest since 1949. If yields per acre are equal to the recent 5-year average (adjusted for abnormal lows in both areas), this year's total wrapper production may be near 17 million pounds--more than 1 million pounds above 1955 and the largest since 1949. The July 1 carryover of shade-grown wrapper is indicated at near 17 million pounds--probably one-half to 1 million lower than a year earlier. The prospective 1956-57 total supply (this year's crop plus carryover) is around 34 million pounds--up a little from the 1955-56 level.

Table 19.--Cigar wrapper tobacco, types 61-62: Domestic supplies, disappearance, and season average prices for specified periods

(Farm-sales weight)							
Year	Production	Stocks, July 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Average:							
1934-38	8.4	11.8	20.2	9.3			78.3
1941-45	10.4	13.6	24.0	10.2			160.7
1946	12.5	13.6	26.1	12.7			234.0
1947	13.5	13.4	26.9	12.4			296.0
1948	15.1	14.5	29.6	13.0	10.5	2.5	274.0
1949	17.3	16.6	33.9	14.5	10.8	3.7	201.0
1950	15.5	19.4	34.9	14.9	11.3	3.6	203.0
1951	14.9	20.0	34.9	13.7	10.1	3.6	194.0
1952	14.7	21.2	35.9	16.6	12.2	4.4	198.0
1953	14.8	19.3	34.1	15.9	12.2	3.7	202.0
1954	16.4	18.2	34.6	16.6	12.4	4.2	207.0
1955 2/	15.6	18.0	33.6				212.0

1/ Year beginning July 1.

2/ Subject to revision.

Domestic Use and Exports

The disappearance of Pennsylvania and Ohio filler in the year ending September 30, 1956, is preliminarily estimated at 57 million pounds--significantly higher than the unusually low 1954-55 figure and more in line with the disappearance in 1953-54 and 1952-53. Nearly all of the continental cigar filler types are used in domestic cigar manufacture. Exports of cigar filler amounted to only about 200,000 pounds in the first half of the current marketing year.

The disappearance of the combined binder types in the year ending September 30, 1956, may approximate 44 million pounds--6 or 7 million less than in 1954-55. A drop from a year earlier seems probable mainly because of the replacement of natural leaf binder with manufactured binder sheet. The great bulk of the binder types are used in domestic manufacture of cigars and scrap chewing tobacco. The number of cigars manufactured during the first 7 months of the current marketing year exceeded the number in the same months of a year earlier but output of scrap chewing was a little less. Exports of the cigar binder types in the first half of the current marketing year at about 1.2 million pounds (farm-sales weight) were about one-fourth higher than in the same period of 1954-55. The main increases were exports of Havana Seed (type 52) to West Germany, Austria, and Netherlands. Exports of Connecticut Broadleaf were double the low figure of a year earlier--mainly to Netherlands and West Germany. Exports of the Wisconsin binder types were sharply lower due to the smaller quantities to West Germany than a year earlier. Also a sizable quantity went to Switzerland last year but none so far this year. However, Sweden and Canada got more.

The disappearance of the shade-grown wrapper types during July 1955-June 1956 is estimated at $16\frac{1}{2}$ million pounds--about the same as a year earlier. Based on data for the first three-fourths of 1955-56, domestic use was moderately less but exports were larger than in the same period of 1954-55. In the 10 months ending April 30, exports of wrapper leaf were 21 percent above those in the same months of a year earlier. Shipments to Germany--the leading outlet--were up 39 percent and Netherlands got considerably more than a year earlier. Belgium and Canada each took less than in the comparable period of 1954-55.

Prices

Prices for the 1955 crop of Pennsylvania filler averaged $24\frac{1}{2}$ cents--11 percent less than for each of the two previous crops. The average price for the 1955 Ohio filler crop at 21.8 cents per pound was 3 percent less than for the 1954 crop but well above the average for the lower quality 1953 crop. The 1955 Connecticut Valley Broadleaf and Havana Seed crops averaged 46.9 and 39.7 cents--down 17 and 10 percent from a year earlier. Storms and floods lowered the quality of some of the Connecticut Valley binder tobacco. The 1955 Wisconsin binder types 54 and 55 brought season average prices of 22.9 and 24.6 cents. For type 54 (Northern Wisconsin), the 1955 crop average price

was 6 percent lower than for the two previous crops, and for type 55 (Southern Wisconsin), the 1955 average was about 20 to 25 percent lower than for each of the previous 4 crops. Substantial quantities of the cigar binder types were placed under Government loan during the 1955 marketing season. (See table 20.)

Table 20.- Cigar tobacco price support operations, quantities placed under loan, 1946-55

Crop year	: Ohio, : : types : : 42-44 :	: Puerto : : Rican, : : type 46 :	: Conn. : : Valley, : : type 51 :	: Conn. : : Valley, : : type 52 :	: N. Y. : : and Pa., : : type 53 :	: So. : : Wis., : : type 54 :	: No. : : Wis., : : type 55 :	: Total
	: Mil. : : lb. :	: Mil. : : lb. :	: Mil. : : lb. :	: Mil. : : lb. :	: Mil. : : lb. :	: Mil. : : lb. :	: Mil. : : lb. :	: Mil. : : lb. :
1946	: 0	: 10.6	: 0	: 0	: 0	: 2.2	: 0	: 12.8
1947	: 0	: 10.3	: 0	: 0	: 0	: .8	: 0	: 11.1
1948	: 0	: 12.3	: 0	: 0	: 0	: 2.0	: 3.0	: 17.3
1949	: 0	: 9.3	: .1	: 3.2	: 0	: .2	: .5	: 13.3
1950	: 2.6	: .3	: .1	: 3.7	: 1/	: 1.4	: .6	: 2/11.5
1951	: .6	: 1.1	: 1.7	: 2.7	: 1/	: 4.8	: .1	: 11.0
1952	: 3/	: 1.4	: 3/	: 3/	: 3/	: 3/	: 3/	: 1.4
1953	: 2.7	: 1.4	: 1/	: 1.8	: 1/	: 2.4	: 1.9	: 10.3
1954	: 1.2	: 5.1	: .8	: 3.4	: 0	: 1.3	: .9	: 12.7
1955	: .8	: 4/1.9	: 7.8	: 5.2	: 0	: .4	: 3.1	: 19.2
Total	: 7.9	: 53.7	: 10.5	: 20.0	: .1	: 15.5	: 10.1	: 2/120.6
Remaining as of May 31, 1956	: 2.0	: 4.6	: 8.2	: 6.5	: 0	: 4.2	: 3.7	: 29.2

1/ Less than 50,000 pounds. 2/ Includes 2.8 million pounds of 1950 crop Pennsylvania Seedleaf. 3/ Price support not in effect because marketing quotas were disapproved by growers. 4/ As of May 31, 1956 when marketings not yet completed.

On April 18, the Department announced the 1955 minimum support levels for the eligible types of cigar tobacco. If the parity level increases by October 1, the beginning of the 1956-57 marketing year, the actual supports will reflect the increase. If parity declines, the announced minimums will become the actual supports. The mandatory support level for cigar filler and binder (types 42-44 and 51-55 as a group) is 90 percent of parity. For Puerto Rican filler type 46, the support level will be announced as of October 1 for the crop that will be harvested mainly in early 1957. Puerto Rican filler is not under a Federal marketing quota and the percentage of parity at which its 1956 support level will be computed will depend on its supply relationship. Pennsylvania filler type 41 does not receive Government price support as growers rejected marketing quotas.

Table 21.- Cigar tobacco types 41-62: Government loan levels, season average prices--1954-55 and 1956 minimum supports

Type	1954 loan level	1954 season average	1955 loan level	1955 season average	1956 minimum support
	Cents per pound	Cents per pound	Cents per pound	Cents per pound	Cents per pound
Pennsylvania filler, type 41	<u>1</u> /	27.4	<u>1</u> /	24.5	<u>1</u> /
Ohio cigar filler, types 42-44	25.1	22.5	24.7	21.8	23.0
Puerto Rican filler, type 46 <u>1</u> /	32.6	30.5	31.9	<u>2</u> /	<u>3</u> /
Conn. Valley Broadleaf binder, type 51	53.8	56.5	53.9	46.9	51.6
Conn. Valley Havana Seed binder, type 52	51.5	44.0	50.8	39.7	48.3
Pa. Havana Seed binder, type 53	25.7	24.0	25.0	21.0	23.3
Southern Wis. binder, type 54	25.1	24.3	24.5	22.9	22.6
Northern Wis. binder, type 55	31.9	32.7	32.0	24.6	29.0
Conn. Valley shade-grown wrapper, type 61	<u>4</u> /	215.0	<u>4</u> /	240.0	<u>4</u> /
Ga.-Fla. shade-grown wrapper, type 62	<u>4</u> /	195.0	<u>4</u> /	175.0	<u>4</u> /

1/ Government price support not in effect on type 41.2/ Season average not yet available.3/ Support level to be announced October 1, 1956.4/ Mandatory loans not applicable.

Table 22.--Tobacco: Acreage in the United States, by types, for specified periods

Period	Flue-cured 11-14	Fire-cured 21-24 1/	Burley 31	Mary-land 32	Dark air-cured 35-37	Cigar			United States
						Filler 41-45 1/	Binder 51-56 1/	Wrapper 61-62	
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres
Average:									
1924-28:	893.7	224.4	322.2	31.2	85.9	68.1	64.0	9.6	1,700.3
1929-33:	949.5	204.3	460.9	36.1	64.5	65.3	56.3	9.0	1,847.3
1934-38:	863.2	135.2	347.2	36.7	42.0	38.7	29.2	8.9	1,501.3
1939	1,269.9	114.5	424.7	40.0	48.7	48.8	41.2	10.9	1,999.7
1940	741.0	119.9	360.3	38.4	47.0	48.4	44.4	10.3	1,410.2
1941	717.6	74.5	341.9	40.3	32.6	47.6	41.0	10.8	1,306.5
1942	792.7	72.8	350.6	38.0	34.0	43.1	36.3	9.6	1,377.3
1943	842.8	68.8	399.3	35.3	30.9	37.9	33.1	9.6	1,458.0
1944	1,017.3	64.7	496.6	45.0	40.2	37.9	37.3	10.5	1,749.9
1945	1,078.7	61.3	512.3	35.0	44.1	36.0	41.8	11.2	1,820.7
1946	1,188.8	91.6	489.0	50.0	40.8	39.0	48.8	12.5	1,960.8
1947	1,161.2	83.8	420.5	47.5	35.3	42.7	46.4	13.6	1,851.6
1948	883.8	62.6	432.0	46.6	29.9	43.6	39.7	15.1	1,553.6
1949	935.4	60.7	447.4	50.0	31.9	42.4	39.5	15.6	1,623.2
1950	958.4	52.9	408.3	50.0	28.7	44.6	42.0	13.7	1,599.0
1951	1,110.1	49.0	456.1	53.0	26.5	39.5	31.7	13.6	1,779.9
1952	1,111.3	47.4	463.5	50.0	26.3	28.7	30.7	13.1	1,771.4
1953	1,021.8	48.3	419.7	45.0	26.0	30.2	29.3	12.3	1,632.9
1954	1,042.2	52.0	420.9	50.0	25.9	33.6	29.6	13.0	1,667.5
1955 ^{2/}	990.7	48.2	310.4	49.0	24.2	33.7	27.4	12.9	1,496.7
1956 ^{3/}	880.2	50.1	308.7	45.0	25.0	32.4	24.6	13.6	1,379.8

^{1/} Types 45, 56, and 24 ended in 1939, 1948, and 1949, respectively.

^{2/} Subject to revision.

^{3/} Farmers' intentions as of March 1 except burley, fire-cured, and dark air-cured, types 35-36, which are approximate allotted acreages.

Table 23.- Tobacco: Yield per acre in the United States, by types, for specified periods with percentages

Period	Flue-cured	Fire-cured	Burley	Maryland	Dark air-cured	Cigar			United States
	11-14	21-24 1/	31	32	35-37	Filler 41-45 1/	Binder 51-56 1/	Wrapper 61-62	
	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.
Average:									
1924-28	676	767	807	781	784	1,340	1,256	1,041	765
1929-33	707	777	777	683	803	1,035	1,350	1,039	770
1934-38	856	811	819	749	837	1,266	1,465	954	865
1939	922	868	931	820	908	1,292	1,536	1,044	940
1940	1,025	888	1,045	850	905	1,337	1,530	922	1,036
1941	905	935	985	775	967	1,497	1,503	939	966
1942	1,024	982	980	740	1,037	1,249	1,520	963	1,023
1943	938	943	982	590	972	1,241	1,540	1,044	964
1944	1,069	1,022	1,189	850	1,116	1,440	1,548	1,075	1,115
1945	1,088	951	1,127	525	988	1,261	1,518	1,001	1,094
1946	1,137	1,189	1,256	925	1,215	1,469	1,519	1,000	1,181
1947	1,135	1,031	1,153	795	1,054	1,419	1,495	992	1,138
1948	1,233	1,170	1,396	750	1,165	1,566	1,524	998	1,274
1949	1,191	1,189	1,253	825	1,133	1,542	1,561	1,108	1,213
1950	1,312	1,102	1,222	800	998	1,474	1,547	1,130	1,269
1951	1,309	1,215	1,355	785	1,197	1,594	1,572	1,098	1,310
1952	1,229	1,228	1,403	805	1,286	1,550	1,532	1,124	1,273
1953	1,245	1,013	1,345	900	1,022	1,468	1,617	1,203	1,261
1954	1,261	1,197	1,586	875	1,317	1,664	1,641	1,264	1,345
1955 2/	1,497	1,353	1,514	725	1,284	1,570	1,546	1,209	1,467
Percentage change									
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
Average									
1947-49									
to 1955	26.2	19.7	19.5	-8.2	15.0	4.0	1.2	17.0	21.4
1954 to									
1955	18.7	13.0	-4.5	-17.1	-2.5	-5.6	-5.8	-4.4	9.1

1/ Types 45, 56, and 24 ended in 1939, 1948, and 1949, respectively.

2/ Subject to revision.

Table 24.- Cash receipts from tobacco compared with total cash receipts from all farm commodities, selected States and United States, average 1949-53, annual 1954-55

State	Average 1949-53			1954			1955		
	Cash receipts	Tobacco	as per-	Cash receipts	Tobacco	as per-	Cash receipts	Tobacco	as per-
	Total	Tobacco	centage	Total	Tobacco	centage	Total	Tobacco	centage
	: of	: of	: total	: of	: of	: total	: of	: of	: total
	Mil.	Mil.	Pct.	Mil.	Mil.	Pct.	Mil.	Mil.	Pct.
	dol.	dol.		dol.	dol.		dol.	dol.	
N. C.	867	459	52.9	928	497	53.6	937	534	57.0
Ky.	553	204	36.9	559	250	44.7	533	239	44.8
S. C.	350	86	24.6	319	73	22.9	350	107	30.6
Va.	463	79	17.1	455	84	18.5	441	87	19.7
Tenn.	474	64	13.5	470	82	17.4	439	63	14.4
Ga.	583	59	10.1	595	59	9.9	636	72	11.3
Conn.	170	26	15.3	168	25	14.9	171	25	14.6
Md.	250	19	7.6	249	21	8.4	236	16	6.8
Fla.	501	20	4.0	547	25	4.6	604	22	3.6
Pa.	778	13	1.7	760	11	1.4	774	13	1.7
Mass.	161	9	5.6	189	9	4.8	189	9	4.8
Wis.	1,039	7	.7	1,003	6	.6	975	7	.7
Ohio	1,023	11	1.1	1,091	9	.8	1,028	15	1.5
Ind.	1,067	6	.6	1,152	6	.5	1,039	10	1.0
Subtotal	8,279	1,062	12.8	8,485	1,157	13.6	8,352	1,219	14.6
U. S. 1/	30,625	1,068	3.5	29,714	1,161	3.9	29,264	1,225	4.2

1/ Other States with relatively small cash receipts from tobacco are Alabama, Kansas, Louisiana, Minnesota, Missouri, New York, and West Virginia.

Table 25.--Tobacco manufactures: Net sales, net income, and profit ratios, annual 1947-55, by quarters 1953-55

Year and quarter:	Net sales	Net income		Profit			
				Per dollar of sales		As percentage of stockholders' equity (annual basis)	
		Before Federal tax	After Federal tax	Before Federal tax	After Federal tax	Before Federal tax	After Federal tax
		Million dollars	Million dollars	Million dollars	Cents	Cents	Percent
1947	2,641	178	109	6.7	4.1	16.6	10.1
1948	3,081	257	159	8.3	5.2	22.0	13.7
1949	3,061	250	156	8.2	5.1	20.2	12.6
1950	3,129	281	152	9.0	4.9	21.3	11.5
1951	3,329	294	129	8.8	3.9	21.8	9.6
Current series 1/							
1951	3,378	295	129	8.7	3.8	21.7	9.5
1952	3,702	285	120	7.7	3.2	19.8	8.4
1953	3,768	338	138	9.0	3.7	22.9	9.4
1954	3,672	329	156	9.0	4.2	21.5	10.2
1955	3,796	388	183	10.2	4.8	24.2	11.4
1953							
1	875	65	28	7.4	3.2	17.9	7.7
2	940	90	35	9.6	3.7	24.5	9.5
3	992	97	39	9.8	3.9	26.1	10.5
4	961	86	36	8.9	3.7	23.0	9.6
1954							
1	846	72	34	8.5	4.0	19.1	9.0
2	932	81	38	8.7	4.1	21.3	10.0
3	970	93	44	9.6	4.5	24.1	11.4
4	924	83	40	9.0	4.3	21.3	10.2
1955							
1	860	74	35	8.6	4.1	18.8	8.9
2	975	98	47	10.1	4.8	24.6	11.8
3	994	110	53	11.1	5.3	27.3	13.1
4	967	106	48	11.0	5.0	26.0	11.8

1/ Not strictly comparable to the series previously published for 1947-51, but differences in the current and previous series for 1951 are relatively minor.

Compiled and adapted from Quarterly Financial Report, United States Manufacturing Corporations, Federal Trade Commission and Securities and Exchange Commission.

SMOKING--INCOME SURVEY: RATES OF SMOKING

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This article presents some preliminary figures on rates of smoking by income, and age groups. The data underlying the tables and discussion are from a cross-classification of data on smoking habits and income obtained from surveys conducted by the Bureau of the Census in February and April 1955. For information concerning the nature and scope of the surveys, see the article in the March 1956 Tobacco Situation. Reprints are available on request from Marketing Information Division, Agricultural Marketing Service, United States Department of Agriculture, Washington 25, D. C. This earlier article dealt with the percentage of smokers within various income and age groups.

In the March article, only regular smokers--that is, those who smoked daily were considered. It is important to note that in this article on rates of smoking not only regular smokers are considered but also occasional smokers--those who smoke once in a while. Occasional smokers comprise particularly significant segments among cigar and pipe smokers. They are a relatively small segment of total male cigarette smokers but a more significant proportion of the female cigarette smokers. In the tables that follow, percentages shown for those smoking "less than 1" daily apply to the occasional smokers; other rates shown are those for regular smokers. Reconciliation of survey data with Internal Revenue Service data on tax-paid removals tends to confirm that occasional smokers of cigars and pipes average less than one cigar and one pipeful, respectively, a day. A similar reconciliation in the case of cigarettes does not result in as conclusive a confirmation. For purposes of this article, it is assumed that occasional smokers of cigarettes average less than one a day.

The tables on rates of cigarette, cigar, and pipe smoking by males in this article are not based on mutually exclusive groups. A small proportion of regular cigarette smokers and large proportions of regular cigar and regular pipe smokers smoke regularly in either two or all three of these ways. Similarly, a regular smoker of one tobacco product may be counted as an occasional smoker of another product or of other products. Also, there is an indeterminate overlap among those who only smoke occasionally--that is, for example, they smoke both cigars and pipes but each form occasionally.

The income data represent money income received in 1954 before deductions for personal taxes, social security, and so forth. For reasons more fully outlined in the March article, this income may not completely reflect an individual's purchasing power. More than half of the females--predominantly housewives or other women at home--did not receive any money income but, of course, had purchasing power through their husbands' or other family income. The discussion of smoking rates among women cigarette smokers considers both

those with and without income. Since all but around 4 percent of men 18 years and over received some money income in 1954, the discussion of smoking rates among males is confined to those with money income.

It should be noted that the population sampled did not include the armed forces nor the institutional population. The armed forces in particular would have a substantial number of male smokers who are not represented in the sampling of males 18-24 years old.

As pointed out in the previous article, the smoking and income estimates are based on sample data and hence are subject to sampling variability. This necessitates caution in considering small percentages and small differences between percentages. Where sample cases were few, income classes, and in several instances age classes, were combined to increase the reliability of computed percentages. This accounts for the lack of uniformity in the tables which follow.

Rates of Cigarette
Smoking, Males

The rate of cigarette smoking among men increases with income up to certain levels. Considering all male cigarette smokers 18 years and over with income, the proportion smoking more than one pack a day increases from 14 percent among men receiving less than \$1,000 to 27-28 percent among those with income of \$4,000 and over. The proportion smoking from one-half to one pack daily increases from 49 percent among those with incomes under \$1,000 to 58 percent among those with incomes from \$2,000 to \$3,000. This proportion appears to fall off in the next income bracket, remaining fairly level at 53-55 percent among smokers receiving \$3,000 and over.

The proportion smoking 1 to 9 cigarettes a day is highest among smokers in the less than \$1,000 bracket (26 percent), and next highest in the \$1,000-\$1,999 class (20 percent). Only 10-13 percent fall in this category among smokers with incomes of \$4,000 and over. The less than \$1,000 income bracket contains the largest proportion of occasional cigarette smokers--12 percent. Among smokers with incomes above \$1,000, this proportion ranges from 5 to 8 percent.

Differences in income are associated to a noticeable extent with differences in age. This is particularly true in the case of the less than \$1,000 income bracket, where more than one-half of all men receiving this amount are either 18-24 years or 65 years and over. However, when individual age groups are considered, similar patterns also tend to appear. In each age group, the proportion smoking more than one pack a day tends to be higher among those receiving \$4,000 and over and lowest among those with incomes of less than \$2,000. The proportions of smokers smoking one-half to one pack a day are highest in the \$2,000 to \$3,000 bracket or immediately adjoining income classes. With some exceptions, the proportions of those smoking less than one-half pack a day tend to be larger among smokers with incomes below \$2,000.

Table 1.--Percentage distribution of male cigarette smokers, 18 years and over, by rate of smoking and income ^{1/}

Age group and daily smoking rate	With money income							
	Under \$1,000	\$1,000- 1,999	\$2,000- 2,999	\$3,000- 3,999	\$4,000- 4,999	\$5,000- 6,999	\$7,000 and over	Total
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
18-24 years:								
Less than 1 cigarette:	12.4	9.4	1.1	10.2	2/	2/	3/	8.7
1- 9	25.4	20.7	15.0	20.5	2/	2/	3/	21.0
10-20	52.3	55.6	66.8	51.0	2/	2/	3/	55.6
Over 20	9.9	14.3	17.1	18.3	2/	2/	3/	14.7
Total	100.0	100.0	100.0	100.0	2/	2/	3/	100.0
25-34 years:								
Less than 1 cigarette:	4.5	4.7	2.7	6.6	5.6	6.7	2/	5.6
1- 9	21.7	11.5	9.6	12.4	12.8	10.6	2/	12.1
10-20	58.8	67.9	66.2	57.0	53.4	58.8	2/	59.1
Over 20	15.0	15.9	21.5	24.0	28.2	23.9	2/	23.2
Total	100.0	100.0	100.0	100.0	100.0	100.0	2/	100.0
35-44 years:								
Less than 1 cigarette:	7.7	5.4	5.9	6.4	4.9	5.4	3.9	5.6
1- 9	19.1	22.4	11.0	11.7	8.2	10.0	15.3	12.4
10-20	49.4	48.1	61.6	53.3	58.2	51.2	51.8	54.0
Over 20	23.8	24.1	21.5	28.6	28.7	33.4	29.0	28.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
45-54 years:								
Less than 1 cigarette:	7.1	3.7	8.9	5.7	5.6	10.8	6.3	7.0
1- 9	22.8	20.5	11.3	15.1	15.4	7.1	13.0	14.2
10-20	49.4	55.7	52.3	53.3	51.3	54.0	52.3	52.6
Over 20	20.7	20.1	27.5	25.9	27.7	28.1	28.4	26.2
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
55-64 years:								
Less than 1 cigarette:	19.3	5.6	10.6	9.8	6.0	8.6	7.5	10.0
1- 9	29.3	16.4	15.4	17.7	19.8	13.6	7.5	18.1
10-20	41.0	58.3	48.5	51.4	49.7	57.6	54.6	50.8
Over 20	10.4	19.7	25.5	21.1	24.5	20.2	30.4	21.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
65 years and over:								
Less than 1 cigarette:	17.1	21.0	20.1	6.7	---	5/	5/	15.7
1- 9	35.0	30.1	31.6	29.8	4/ 22.6	5/	5/	31.4
10-20	42.4	38.0	37.6	56.8	1/ 54.8	5/	5/	43.0
Over 20	5.5	10.9	10.7	6.7	1/ 22.6	5/	5/	9.9
Total	100.0	100.0	100.0	100.0	4/ 100.0	5/	5/	100.0
All ages:								
Less than 1 cigarette:	11.7	7.7	6.7	7.0	5.4	7.2	5.7	7.3
1- 9	25.8	19.8	13.4	14.7	13.3	10.3	12.9	15.5
10-20	48.8	55.0	58.2	54.3	54.0	54.7	52.9	53.9
Over 20	13.7	17.5	21.7	24.0	27.3	27.8	28.5	23.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

1/ Smoking group comprises regular cigarette smokers (those smoking 1 or more cigarettes each day) and occasional cigarette smokers (assumed to average less than 1 cigarette a day). 2/ Too few cases in sample to compute reliable percentage. 3/ No persons in sample. 4/ Income class includes those receiving \$4,000 and over. 5/ Combined with \$4,000-\$4,999 class because of insufficient cases to compute reliable individual percentages.

Table 2.- Percentage distribution of female cigarette smokers, 18 years and over, by rate of smoking and income ^{1/}

Age group and daily smoking rate	With money income						No money income
	Under \$1,000	\$1,000-1,999	\$2,000-2,999	\$3,000 and over	\$4,000 and over	Total	
	Percent	Percent	Percent	Percent	Percent	Percent	Percent
18-24 years:							
Less than 1 cig't.	(16.5)		(27.5)			20.8	12.3
1-9	(44.3)		(26.8)			37.6	40.1
10-20	(34.5)		(43.4)			37.9	45.2
Over 20	(4.7)		(2.3)			3.7	2.4
Total	(100.0)		(100.0)			100.0	100.0
25-34 years:							
Less than 1 cig't.	(14.0)		(12.2)			13.0	12.7
1-9	(34.1)		(29.3)			32.0	27.5
10-20	(44.2)		(50.0)			47.1	50.2
Over 20	(7.7)		(8.5)			7.9	9.6
Total	(100.0)		(100.0)			100.0	100.0
35-44 years:							
Less than 1 cig't.	(10.1)		(16.6)			12.9	10.2
1-9	(31.7)		(31.1)			31.5	29.2
10-20	(50.3)		(44.1)			47.6	51.9
Over 20	(7.9)		(8.2)			8.0	8.7
Total	(100.0)		(100.0)			100.0	100.0
45-54 years:							
Less than 1 cig't.	(11.0)		(16.8)			13.4	15.6
1-9	(36.1)		(27.3)			32.3	26.8
10-20	(40.7)		(45.1)			43.0	47.2
Over 20	(12.2)		(10.8)			11.3	10.4
Total	(100.0)		(100.0)			100.0	100.0
55 years and over:							
Less than 1 cig't.	(19.7)		(26.5)			22.5	26.8
1-9	(31.8)		(28.7)			30.3	42.7
10-20	(39.4)		(41.6)			40.5	26.8
Over 20	(9.1)		(3.2)			6.7	3.7
Total	(100.0)		(100.0)			100.0	100.0
All ages:							
Less than 1 cig't.	16.2	9.9	21.0	15.1	9.7	15.4	13.6
1-9	34.3	37.9	31.2	27.9	29.5	32.9	30.8
10-20	43.0	43.2	42.4	47.6	47.7	44.2	47.6
Over 20	6.5	9.0	5.4	9.4	13.1	7.5	8.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

^{1/} Smoking group comprises regular cigarette smokers (those smoking 1 or more cigarettes each day) and occasional cigarette smokers (assumed to average less than 1 cigarette a day).

Younger cigarette smokers (18-24 years) and older cigarette smokers (65 and over) generally have significantly smaller percentages of more than a pack-a-day smokers than intermediate age groups, and this appears to be largely true regardless of income. Conversely, these younger and older cigarette smokers tend to have significantly larger percentages smoking less than one-half pack daily. The largest proportion of occasional cigarette smokers appears to occur in the 65 years and over age group (all incomes combined) and the next highest among smokers 55-64 years and 18-24 years.

Rates of Cigarette Smoking, Females

According to survey data, the broad pattern of smoking rates is similar for women smokers with income and without income, all ages combined. The largest proportion in both groups smoke 10 to 20 cigarettes; the next largest proportion, from 1 to 9 cigarettes. In both groups, smokers of more than 20 a day comprise the smallest proportion. Occasional smokers, presumably averaging less than one cigarette a day, occupy an intermediate position.

For the most part, there is not much difference between those with income and those without income in proportions smoking more than one pack a day. However, a larger proportion of women smokers with no income of their own appear to smoke 10-20 cigarettes daily. Of this group (all ages combined), 48 percent smoke 10 to 20 cigarettes a day as against 44 percent among those with income. There is an exception in the case of women smokers 55 years and over, among whom 41 percent of those with incomes smoke 10 to 20 cigarettes daily, compared with 27 percent for those with no income.

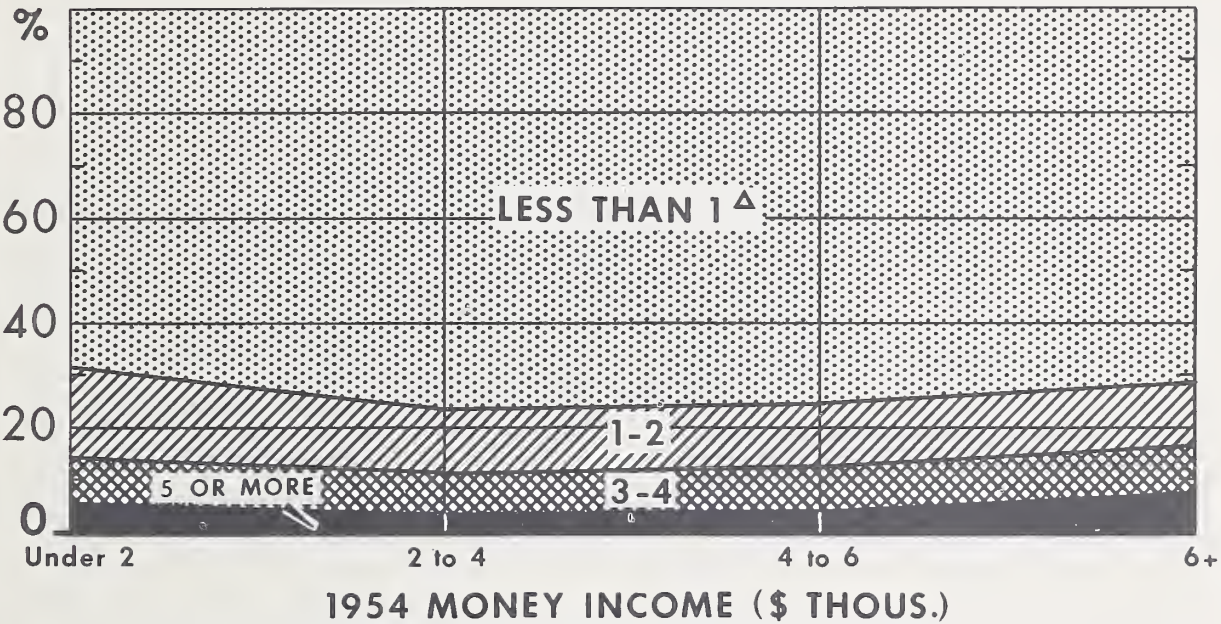
Considering women smokers of differing money incomes (all ages combined), 57 percent of those receiving \$3,000 and over smoke one-half pack or more each day, compared with about 50 percent among those with incomes under \$1,000. However, data within individual age groups do not show uniform patterns.

Women smokers aged 25-54 years smoke more heavily than women smokers either younger or older than this age span. The proportions of smokers aged 25-54 who smoke more than 20 or from 10 to 20 cigarettes a day are 9 percent and 48 percent. Among those 18 to 24 and 55 and over, the comparable figures are 4 and 39 percent.

The occasional cigarette smoker is relatively more important among women than among men smokers. Of all women smokers 18 years and over, 14-15 percent are occasional smokers as against 7 percent among male smokers of similar age.

CIGARS SMOKED DAILY PER SMOKER, BY INCOME CLASS

% Distribution of Cigar Smokers*



* MALES 18 YRS. AND OVER; DATA BASED ON 1955 SURVEY. ▲ OCCASIONAL CIGAR SMOKERS

Rates of Cigar Smoking

In considering the number of cigars smoked by cigar smokers in various income groups, there are two major points that should be kept in mind. First, there is great diversity in the quality of cigars depending principally upon quality of the leaf tobacco used and whether long filler or scrap and short filler are used in the manufacturing operation. Second, there is a considerable variation in the size of cigars. Both of these factors--quality and size--are reflected in a wide range of prices. Cigarillos--much smaller than the traditional average cigar--have become significant in recent years and were not differentiated from cigars in the survey. Most cigarillos retail at around one-half the price of major popular brands of large cigars and probably average less than one-half their weight. For these reasons, numbers of cigars smoked are a much less satisfactory measure when considered in relation to income than in the case of cigarettes.

It is noteworthy that a large proportion of men in the lower-income brackets are older persons, many of retirement age and probably with fewer family obligations than men in younger age groups. Cigar consumption by such individuals, especially of lower-priced brands, could result in numbers smoked equaling, if not exceeding, those reported at higher income levels. Also, the necessity for consolidating income classes to reduce sampling variability obscures differences in consumption rates that might be noted if a finer division of income were possible.

Table 3.--Percentage distribution of male cigar smokers, 18 years and over, by rate of smoking and income ^{1/}

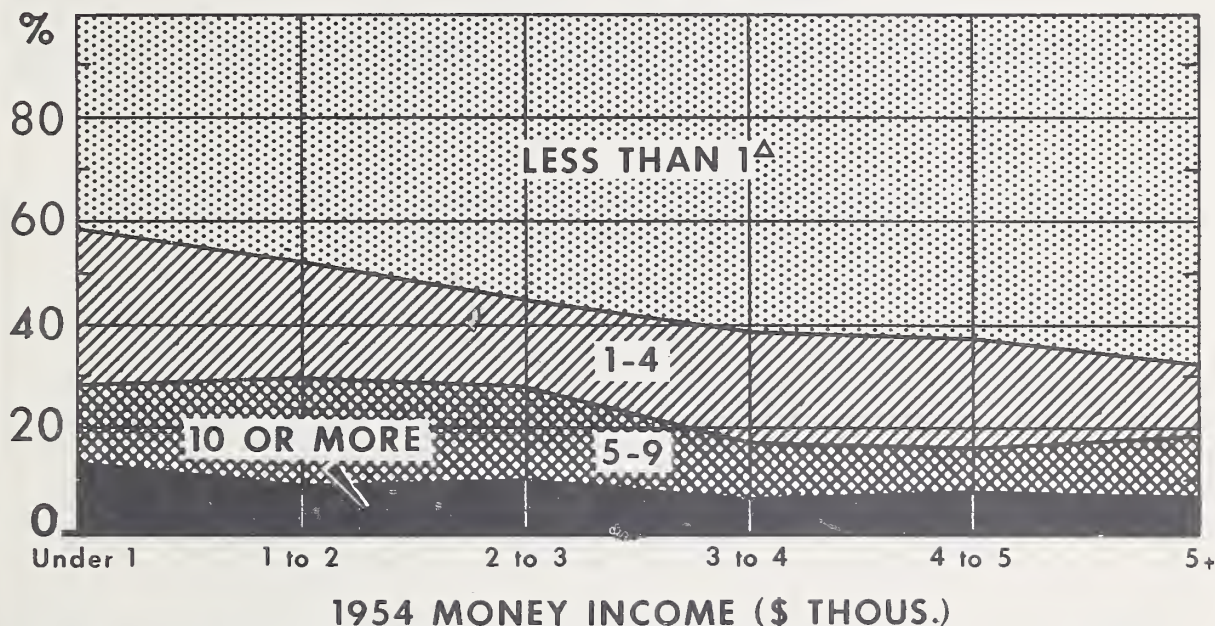
Age group and daily smoking rate	With money income				
	Under \$2,000	\$2,000- 3,999	\$4,000- 5,999	\$6,000 and over	Total
	Percent	Percent	Percent	Percent	Percent
18-44 years:					
Less than 1 cigar	(83.1)		(81.2)		82.4
1-2	(10.1)		(9.6)		9.8
3-4	(3.4)		(6.3)		4.6
5 or more	(3.4)		(2.9)		3.2
Total	(100.0)		(100.0)		100.0
45 years and over:					
Less than 1 cigar	(66.0)		(64.4)		65.5
1-2	(17.9)		(15.4)		16.9
3-4	(12.2)		(12.5)		12.3
5 or more	(3.9)		(7.7)		5.3
Total	(100.0)		(100.0)		100.0
All ages:					
Less than 1 cigar	68.4	76.5	75.2	71.1	73.2
1-2	16.9	12.2	12.4	12.1	13.4
3-4	9.6	7.8	8.7	9.3	8.5
5 or more	5.1	3.5	3.7	7.5	4.9
Total	100.0	100.0	100.0	100.0	100.0

^{1/} Smoking group comprises regular cigar smokers (those smoking 1 or more cigars each day) and occasional cigar smokers (those averaging less than 1 cigar a day).

Despite these limitations, some generalizations of interest can be made. Unlike cigarette smokers, of whom occasional smokers are a small segment, occasional smokers comprise a very substantial proportion of all cigar smokers. Of the total cigar smokers (all ages), occasional smokers account for nearly three-fourths, the proportions ranging from 68 per cent (incomes under \$2,000) to 75-76 percent (incomes from \$2,000 to \$6,000).

PIPEFULS SMOKED DAILY PER SMOKER, BY INCOME CLASS

% Distribution of Pipe Smokers*



* MALES 18 YRS. AND OVER; DATA BASED ON 1955 SURVEY.

△ OCCASIONAL PIPE SMOKERS

U. S. DEPARTMENT OF AGRICULTURE

NEG. 3340-56 (5) AGRICULTURAL MARKETING SERVICE

From an age standpoint, the proportion of occasional cigar smokers is higher among men 18 to 44 years of age (81-83 percent) than among men 45 years and over (64-66 percent). Occasional cigar smokers probably account for approximately one-third of total cigar consumption.

While a larger proportion of cigar smokers 45 years and over are regular smokers, survey data do not provide conclusive evidence that these smoke at a much heavier rate than regular cigar smokers under 45 years.

Rates of Pipe Smoking

Indications are that larger proportions of the pipe smokers in the lower income brackets smoke pipes regularly and at a heavier rate than do pipe smokers with higher incomes. Of all pipe smokers with incomes, 56 percent of those with incomes under \$2,000 smoke pipes regularly and 44 percent, occasionally. The corresponding percentages among pipe smokers receiving \$5,000

and over are 32 percent regular and 68 percent occasional. Twenty-eight to 30 percent of those receiving less than \$2,000 smoke 5 or more pipefuls daily, compared with only 19 percent in the \$5,000 and over bracket.

These differences appear most pronounced in the case of pipe smokers 45 years and over. Among such pipe smokers, a larger proportion of those with incomes of \$4,000 and over are occasional smokers (55 percent) when compared with those with incomes under \$4,000 (40 percent). The larger proportion of occasional pipe smokers among those with higher incomes may indicate that many of these men also smoke cigars or cigarettes. Among pipe smokers 45 years and over, 35 percent of those with incomes below \$4,000 smoke 5 or more pipefuls a day, compared with 23 percent among those with incomes above this amount.

Table 4.--Percentage distribution of male pipe smokers, 18 years and over, by rate of smoking and income ^{1/}

Age group and daily smoking rate	With money income						
	Under \$1,000	\$1,000- 1,999	\$2,000- 2,999	\$3,000- 3,999	\$4,000- 4,999	\$5,000 and over	Total
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
18-44 years:							
Less than 1 pipeful:	(	71.7	)	(	72.6	)	71.8
1-4	(	17.0	)	(	12.9	)	15.3
5-9	(	6.5	)	(	8.5	)	7.6
10 or more	(	4.8	)	(	6.0	)	5.3
Total	(	100.0	)	(	100.0	)	100.0
45 years and over:							
Less than 1 pipeful:	(	39.6	)	(	54.9	)	52.2
1-4	(	25.1	)	(	22.5	)	21.5
5-9	(	22.3	)	(	14.2	)	16.7
10 or more	(	13.0	)	(	8.4	)	9.6
Total	(	100.0	)	(	100.0	)	100.0
All ages:							
Less than 1 pipeful:	41.1	47.9	55.2	61.2	62.8	67.7	58.3
1-4	30.4	22.1	16.9	21.8	20.9	13.4	19.8
5-9	15.4	20.2	17.5	10.9	8.7	12.2	13.7
10 or more	13.1	9.8	10.4	6.1	7.6	6.7	8.2
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

^{1/} Smoking group comprises regular pipe smokers (those smoking 1 or more pipefuls each day) and occasional pipe smokers (those averaging less than 1 pipeful a day).

The occasional pipe smokers comprise a major part of both the pipe smokers who are under or over 45 years. But the proportion for those 18 to 44 years is 72-73 percent compared with about 40-55 percent of those 45 years and over. It is estimated that all occasional smokers combined probably consume roughly one-tenth of the tobacco smoked in pipes.

Among the regular smokers, evidence of differences in smoking rates due to age appears to exist only in the case of those receiving less than \$4,000, in which a larger proportion of smokers 45 years and over smoke 5 or more pipefuls daily. This may be partly attributable to the heavy weight of regular pipe smokers 65 years and over in the latter group.

Considering regular pipe smokers of all ages and incomes, the largest proportion is accounted for by those smoking 1 to 4 pipefuls daily, and the next largest, by those smoking 5 to 9 pipefuls a day. The smallest proportion consists of those pipe smokers smoking 10 or more pipefuls daily.

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